

# BFSS

BRITISH & FOREIGN SCHOOL SOCIETY  
Educational Opportunity for All



## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Charity registration number: 314286

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STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019**

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**ESTABLISHED 1808 - INCORPORATED BY ROYAL CHARTER 1906**

THE TWO HUNDRED AND FOURTEENTH REPORT

# THE BRITISH & FOREIGN SCHOOL SOCIETY

## **PRESIDENT**

Rt Hon David Lammy MP

## **VICE-PRESIDENT**

Emeritus Professor J Furlong OBE

## **COUNCILLORS**

### **Chair of Council**

Mr P E Miller BSc (Hons)

### **Vice-Chair of Council**

Professor J A Palmer Cooper BA MEd MA PhD DLitt (hon) Dip G.D

### **Treasurer**

Mr D M Baron FCA

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Mr T Andrew (from May 2019)

Mrs C Cashman (from May 2019)

Mr V Craggs OBE BA

Mrs J Creasy MEd

Mr D S Crowther MA (July 2019-Nov 2019)

Mr A Gibbs BA MA (to May 2019)

Mrs D Hoy FCILEx

Mrs K Hughes BEd

Mr G T Kingsley MA CChem FRSC FRSA

Mr L Stephen MA BD

Mr S J Wordsworth MA CMG LVO (to May 2019)

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### **Director and principal office address**

Mr David Crowther MA (Interim to May 2019)

Ms Joanne Knight BSc DPhil MRSC (from June 2019)

7-14 Great Dover Street, London SE1 4YR

**Registered Charity No. 314286**

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### **Solicitor**

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### **Independent Auditor**

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9 Bonhill Street  
London EC2A 4DJ

### **Property Consultant**

Sanderson Weatherall  
Robert House  
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Stockton TS17 6BA

# ANNUAL REPORT

## 1. Introduction

The Council present their report along with the financial statements of the Society and of the other charitable trusts for which the Society is responsible, for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in the Notes to the Financial Statements below and comply with the Society's Charter and applicable law.

## 2. Our heritage that guides us

The heritage that underpins our Society remains important and relevant to our activities and decisions and is embedded in our charitable objects. The British & Foreign School Society (BFSS) was formed in 1808 by Christian social reformers to carry on the work of Joseph Lancaster, a pioneer of school and teacher education. The Society was then known as "The Society for Promoting the Royal British or Lancastrian System for the Education of the Poor". It changed its name to The British & Foreign School Society in 1814, was granted a Royal Charter in 1906, and its Royal Charter, Statutes and Bye-laws were most recently updated in 2014.

With such a long history, the Society has necessarily adapted over the years, but our heritage continues to define us and our priorities. Joseph Lancaster was a Quaker who became concerned that the poorer classes were denied the opportunity of education in the late 18th century; and as a result, he was involved in the founding of schools throughout the UK and in many overseas countries with tuition based on his monitorial system. The Society today continues that work through our grant funding by seeking to ensure education for the poorest and most disadvantaged. From 1870, BFSS focused on teacher training and the Society continues to recognise the critical impact of teachers and makes teacher training a priority area for funding.

Conserving our physical heritage continues to be important to us. Brunel University maintains our extensive Society archives and makes sure they are accessible for research. The Society continues to support the British School Museum in Hitchin and recognises its importance in ensuring Joseph Lancaster's work is visibly accessible for current and future generations to appreciate. The Museum houses an 1837 Monitorial Schoolroom, the only one of its kind left in the world, three other historic classrooms, the Headmaster's House and a collection of 47,000 objects.

## 3. Objectives and activities for the public benefit

The Society achieves its public benefit through its grant giving activities to support the education of disadvantaged young people worldwide. The Council has referred to the Charity Commission's guidance on public benefit when developing the vision, mission, values and objectives for the Society covering 2018 to 2021. We review and refresh our vision, mission and values each year, and make sure they inform our decisions:

### 3.1 Vision

Educational opportunity for all.

### 3.2 Mission

We seek to achieve our vision by providing funding and support to UK-based charities and educational establishments for educational projects in the UK and throughout the world reflecting our history and heritage.

### 3.3 Values

We believe in the right of children and young people to education as a driver for personal development, well-being, and equality of opportunity. Building on the heritage of Joseph Lancaster, we value effective teaching and learning, and the sharing of good practice. We are committed to inclusivity, integrity, and to valuing and respecting others in everything we do.

### 3.4 Objectives

Following a review in 2019 our strategy for 2020 and beyond is based on 5 objectives:

1. Maximise the impact of our grant-giving to ensure that the Society's grant-giving policy and practice is measurably aligned with the Society's vision, values, mission and funding priorities.
2. Improve educational attainment for Looked After Children and Young Carers in the UK, by funding new interventions that have the potential to be scaled-up and replicated.
3. Understand, report and share the impacts of the Society's grant-giving.
4. Support the development of capacity among BFSS Grantees thereby contributing measurably to the delivery of positive impact for children and young people in the education sector.
5. Maintain and grow the Membership of the Society to support the work of the Society.

### 3.5 Grant giving policy

The majority of our grant giving (97% in 2019) is made through the main fund using our unrestricted income. For the main fund we encourage grant applications around key themes to ensure that we deliver our mission overseas and in the UK by funding interventions for vulnerable children, infrastructure costs and teacher training. These themes were chosen for their impact on broadening access to education, improving the quality of educational delivery, raising achievement and supporting the most disadvantaged. We ensure that our grant-giving delivers long-term improvement through the involvement of local communities, the capability and availability of teaching staff and fit-for-purpose infrastructure. Wherever possible, we fund projects that deliver benefits to the wider community and that will be sustainable after our grant ends.

We continue to adopt a grant funding approach that favours small to medium sized charities and UK state-funded educational establishments.

The Society continues to believe that supporting high-quality projects in the UK is central to the Society's heritage and future. We plan for around 30% of our grants to support UK based projects. In 2019 we saw a dip in the number of good quality UK project proposals received and only 19% of new funds awarded were for UK based projects. Hence the decision was made to establish a separate UK funding strategy. The UK strategy will start in late 2020 and will only support the educational attainment of Looked After Children and Young Carers, and offer fewer but larger grants. Overseas grants will continue to be awarded for up to £60,000 over 3 years. We anticipate this change will add clarity to our commitment to support the education of disadvantaged children in the UK as well as overseas.

Our main fund priorities for the future are:

- Overseas: Support for re-establishing and renewing education in natural disaster and conflict-affected areas; Support for girls' education, street and/or otherwise vulnerable children.
- UK: Improving educational attainment for Looked After Children and Young Carers.

## 4. 2019 achievements and future plans

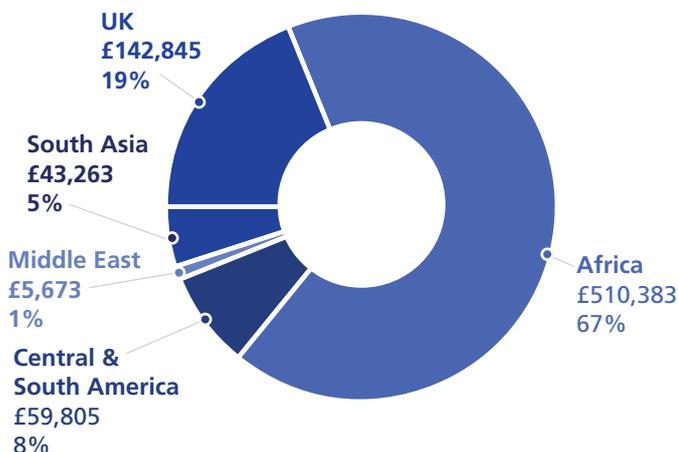
### 4.1 Grant giving

In 2019, 43 new grants with a total value of £761,069 were awarded (2018: £961,183), this includes 8 grants which were awarded from the restricted funds totalling £22,090. In addition we continued to support 30 grants awarded in previous years.

The number of applications for the main fund was down on previous years with just 188 received; in 2018 we received 257 new applications, while in 2017 we received 226. We see this as a positive as applicants have an improved 1 in 5 chance of success, although the quality threshold is always maintained regardless of the number of applications.

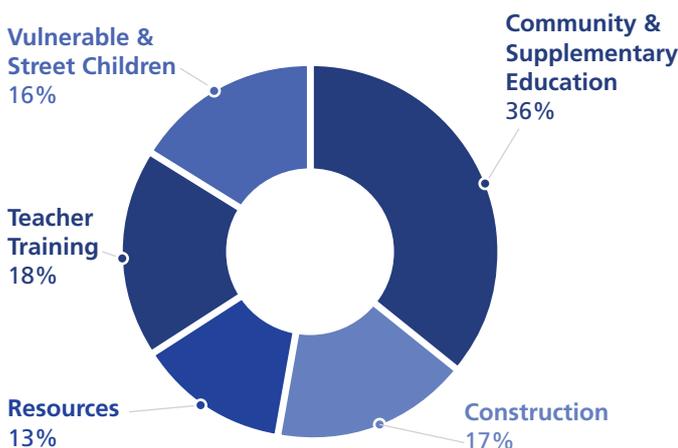
During the year we improved our internal monitoring processes to add flexibility for our grantees on their reporting cycle, grants may now start and report on a schedule that best suits the project being delivered and does not have to be linked to the Society's governance timetable.

#### 4.2 Main fund grants by location



The chart above shows the distribution of funding awarded from the main fund in 2019 by location. Africa dominated our 2019 granting giving receiving 67% of the new funds awarded. The UK share of new funding was 19% and we will be looking to address this in 2020 (see 3.5 above).

#### 4.3 Main fund grants by objective



Many projects have multiple, overlapping objectives and activities, and the categories listed in the chart reflects only the main objective of projects. Community and supplementary education was an important area for our 2019

grant giving and the majority of our UK grants come under this category.

#### 4.4 Restricted funds

BFSS's restricted funds provide valuable grants to specific locations and for specific purposes. The Society's approach is to work with partners with the experience and local knowledge to make sure grant-giving is effective and meets the individual requirements of each fund.

- To support the Society's Trust Fund and Alfred Bourne Trust we work with London South Bank University to help individuals entering teacher training.
- The Old British School Charity is dedicated to the areas around Bratton in Wiltshire and The Community Foundation for Wiltshire distributes the bulk of the funds to disadvantaged individuals in their pursuit of learning.
- The British School Charity in Saffron Walden has an active small group of locally based Trustees. The charity supports individuals in need of financial help to succeed in their education and local community organisations working with young people.

#### 4.5 Grants supporting Looked After Children in the UK

The Society launched a programme in 2017 responding to the compelling need of children living in care. Looked After Children make up 37% of children in young offender institutions, they are twice as likely as all children to be permanently excluded from school and more than half of all children in care leave school with no formal qualifications.

In 2017 and 2018, 10 projects were funded under this programme, resulting in new UK grants of £390,123 since the fund started. At the start of 2019 we paused the programme to review the progress of the grants to date as the projects have tended to involve a number of agencies, and the level of project management required has led to delays and complications.

Due to the tenacity of the organisations involved the majority of projects are now delivering additional support to Looked After Children, although for most the project outputs are delayed or less than originally planned at the start of the project. We were also disappointed in the quantity of evaluation and dissemination being undertaken. We concluded that larger scale funding is required to deliver genuine impact with more emphasis on evaluation and dissemination from the outset. We plan to learn from our acquired understanding of the sector and reshape our new UK grant giving strategy around this.

#### **4.6 Building capacity among our grant recipients**

We recognise our responsibility to contribute to the strength of charities that share our values and focus on the education of the disadvantaged. We therefore devote considerable time and effort to working with the charity sector to facilitate the sharing of best practice and advise on and improve the quality of grant applications. Often this is done by working with individual organisations, but specifically we:

- Organise an annual Grants Workshop that allows grantees to share best practice.
- Publish the Annual Grants Impact Report, to give insights into and the learning from the projects we support.

Exploring Sustainability was the theme for the 2019 Grants Workshop and 46 grant holders along with BFSS Trustees and staff attended. The programme was designed to reflect and capitalise on the knowledge in the room. A BFSS update was given to inform grant holders on current priorities and changes within the Society, and a keynote presentation by Children on the Edge helped introduce the theme of sustainability, and bring it to life with practical examples of best practice. Six organisations presented a “Dragons’ Den” style pitch on their ideas for sustainability. Attendees voted for the best pitch and the winner, COCO (Comrades of Children Overseas), received a £1,000 unrestricted grant. The day concluded with

an interactive group session to identify barriers and find solutions for different themes of educational projects.

The enthusiastic feedback showed the workshop achieved the aim of being an information sharing event where participants could learn from each other.

#### **4.7 Sharing the impact of our grant-giving**

BFSS has a structured process to evaluate the performance of our grants, as outlined in 5.3 below.

To ensure the best possible use of funds, BFSS carried out a detailed analysis of the impact of its grants made in 2019, based on 25 end of project reports. The full report, An Analysis of British and Foreign School Society grants awarded and their impact can be seen on our website at <https://bfss.org.uk/wp-content/uploads/BFSS-Impact-Report-2019-web-version.pdf>.

The quantitative data supplied by the project reports, demonstrated we made a direct impact on the education and lives of 49,090 young people; on the quality of work and commitment of 3,171 teachers, head teachers and teaching assistants; and on some 234,777 indirect beneficiaries, for example, parents, siblings and community members. The grand total of all of these beneficiaries is 287,038 across 18 countries worldwide. The report identified impact within four principal areas:

- Educational standards and pupils’ attainment levels have included quantifiable improvements in grades, in overall school standing and in the quality of teaching. Many projects focussed on measuring attendance and retention and this has proved a fertile area of improvement.
- The general quality of the learning environment, achieved by the provision of appropriate classroom space, better equipped classrooms, better resources in areas as libraries, IT and science labs. And critically, by helping to provide well trained teachers.

- The wider community, promoting the concept of school as a 'community hub', and helping to change attitudes and values. Our funding has made an impact on education for girls where they are disadvantaged and marginalised.
- The overall quality of life in the locality, delivering health-related benefits from projects such as building latrines and workshops, and for the vulnerable Members of the community such as the disabled and 'at risk' individuals. Many of our projects have a huge impact on personal skills, attitudes and motivation and personal relationships.

#### **4.8 Developing our Membership**

The Society is a Membership organisation. We believe our Members constitute a great asset of the Society, and we continue to look for ways for members to play an active role in the life of the Society. We already communicate regularly through Newsletters, and Members are invited to certain events and exercise their statutory responsibilities through the Annual General Meeting (AGM).

During 2019 we worked to promote the Membership to individuals who are actively volunteering or working for educational charities, recognising that this sector of individuals will have the expertise to support BFSS to remain effective and relevant in the rapidly changing educational sector. We were very pleased to have recruited 31 new Members bringing the total number of Members to 141, which is an increase of 8% on last year.

#### **4.9 Future plans**

Work in 2020 will focus on implementing the new UK grant giving strategy using a 2-stage application process and an online grant monitoring system through the new Grants Management System installed in 2019. A Members Day was planned for May 2020 to include the AGM and give Members an opportunity to share their thoughts on how BFSS can work in a more sustainable

and environmentally sensitive manner. Because of the Covid-19 pandemic this meeting has been cancelled but we will carry forward our plans into 2021. It is hoped that the output from the Members Day will feed into the development of BFSS' policy on this important topic.

During 2020 improvements will be made to the financial administration of the Society including the implementation of a new financial accounting system, a review of the investment managers and a competitive tender process to appoint a new auditor for future years.

### **5. Structure, governance and management**

#### **5.1 Membership**

Broadly, our Members are drawn from the Society's past and present activities in education, teacher training, and charity organisations. The statutory role of Members is to elect the Councillors who act as Trustees of the charity at the AGM. A proxy voting system was successfully trialled at the 2019 AGM and will be continued in future years.

#### **5.2 Governance and structure**

The Society has a President and Vice-President who are elected by the Membership for a period of three years. In May 2018 the Rt Hon David Lammy MP was re-elected President and Professor John Furlong was re-elected Vice-President both for a term of 3 years. The Society is governed by a Council drawn from and elected by Members of the Society. The maximum number is determined from time to time at a General Meeting of the Society and is currently 12. The minimum number is 6.

The Society has an induction procedure for new Council members. They are provided with a folder of relevant information on their role and responsibilities and are briefed by the Chairman. All Council members are kept informed of the impact of the Society's work through reports on funded projects. The Council annually reviews the work of individual Councillors and its sub-committees.

The Director's remuneration is set by a process which includes a review of performance against objectives by the Remuneration Committee which then makes a recommendation for approval to the Council.

In 2019 Council Meetings were held in March, July and November; with a Strategy meeting in December. There are two subsidiary committees, the Grants Committee and the Finance and Investments Committee, both of which meet regularly as required and report to the Council.

The Society has a series of policies and terms of reference, which are subject to a regular review schedule to ensure they are up to date and fit for purpose. During the year the Society formally documented a Scheme of Delegation defining who is accountable for which functions in the oversight and management of all activities.

### **5.3 Robust and effective grant-giving**

The Society makes grants in accordance with its Charter and within the financial limits set by Council each year. Its grant-giving is project-driven and supports a broad range of projects around the world. The criteria for grant-giving are available on the Society's website at [www.bfss.org.uk](http://www.bfss.org.uk). The Society operates an online grant application system, the application form was updated in 2019 to improve the quality of information available for decision making. The grant administration was improved by installing a new grants and contacts database during the year.

The Director and Grants Manager conduct an initial assessment of all grant applications, for discussion with the Chair of the Grants Committee. Applications which meet the criteria and are considered suitable for further consideration are referred to the Grants Committee for the Main Fund (with an individual Trustee taking the lead on each application) and to the appropriate Committee for the subsidiary trusts for which the Society is responsible.

In considering grant applications, Trustees give priority to applications from organisations and institutions operating in areas of deprivation or

educational disadvantage. The Trustees make decisions according to the criteria set out in the Society's Grant Giving and Management policy, in line with our objective that the project will widen access and raise achievement, give value for money and achieve positive and long-lasting change for the community as a whole.

Recommendations from the Grants committee for Main Fund applications and from the relevant Committee for the subsidiary Trusts are referred to the full Council for approval.

We have a structured process to ensure rigorous evaluation of the impact of our grants, and we hold grant recipients accountable for delivering the outputs and outcomes to which they have committed. Every grant application is required to specify three or four main outcomes, and every project must have a well-defined plan for monitoring and evaluation. The reporting process is linked to the release of funds, to ensure we always retain the right to withhold or vary grants where projects are struggling to meet their outcomes. Grant recipients are required to submit progress reports annually for grants up to £10,000 per year and 6-monthly for larger grants in addition to the end of project report. Each progress report is reviewed by the Director before releasing further funding. When a project is not delivered to plan, a triage system is in place to determine whether the Director, Chairman of the Grants Committee or the Grants Committee itself should make the decision on the future of the grant.

The Society places great emphasis on ensuring that improved educational outcomes for our beneficiaries are clearly identified. Construction projects are required to provide an additional report one year after the formal completion of construction project, to give time for impacts to emerge.

Other charitable trusts for which the Society is responsible provide scholarships and bursary funds to individuals and grants to educational institutions. These trusts are detailed in Section 12 of the Notes to the Financial Statements below.

## **6. Covid-19**

As of April 2020 the majority of schools across the world were closed in response to the Covid-19 pandemic. The active delivery of projects funded by the Society have paused in most cases, and the start of new projects have been postponed. Our first priority is to be as flexible and supportive as possible to our existing grantees as they navigate their way through this unprecedented situation.

The Society's investments include sufficient cash for it to meet all of its current grant commitments, and in some cases existing grantees will be able to apply for additional funds to ensure the quality of the project delivery and its outputs can be maintained when schools reopen. The dividend income on the investments for the year ending 31 December 2020 is expected to be lower than recent years. The Society will continue to monitor the impact of future investment valuations and income streams when preparing its 2021 budget.

To reduce pressure on new grant applicants the Spring 2020 grant round was cancelled. However, the Society remains committed to awarding new projects during 2020 to the same level as in previous years and will roll forward the Spring grants budget to the Autumn 2020 grant round. To make it less time consuming for organisations to apply for our grants we have introduced a 2-stage application process for the Autumn 2020 grant round.

As mentioned above, our planned Members Day and AGM scheduled for 15 May 2020 has been cancelled, however the Society will meet its governance obligations and hold a brief AGM on 1st July 2020 covering essential business only.

Trustees remain entirely confident the Society will remain a going concern and will continue to support its current and future grantees for the remainder of 2020 and beyond.

## **7. Financial review**

### **7.1 Reserves policy**

The entire General Reserve of £25,145,789 at 31 December 2019 (2018: £22,391,867) is an unrestricted fund which would be available to meet unexpected costs of the charity. The Trustees do not therefore feel it appropriate to specify a minimum level for free reserves.

### **7.2 Risk Management Policy**

The Society maintains an active risk register which encompasses all areas of the Society's activities. This risk register is reviewed, together with risk mitigation decisions and actions made, on an ongoing basis by the Society's Council. Principal risks identified by Trustees were those associated ensuring robust succession planning, ensuring policies are up to date and compliant with relevant regulations, particularly with regard to safeguarding, and ensuring that our investment policy continues to maximise income to support the delivery of our objects in a time of change.

### **7.3 Pension Policy**

The Society continues to operate a pension scheme for its employees, providing an employer's contribution of 8% of qualifying earnings. Monthly pension contributions are paid to the provider by direct debit.

### **7.4 Financial results**

Grants paid during 2019 amounted to £921,371 (2018: £798,964). This represents a 15% increase on the previous year, mainly due to the timing of grant payments. The largest individual grant awarded was £59,916. The net expenditure of £387,303 (2018: £340,374) represents a 14% increase and reflects the improving investment performance and the increasing demand for grants from our grant giving programmes, which resulted in new grants of £317,982 being paid in the year. In addition, the Society's Investment Policy states that the Trustees will normally draw 4% (based on the average capital value as at 31 December of each of the previous 3 years) in the

subsequent year, which means that there is an expectation that the grant giving programme will be partly funded by investment income and partly by capital gains on those investments. The Society also incurred a net gain on investments of £3,327,321 in the year (2018: £1,494,166 loss on investments).

## 7.5 Income

The Society's main source of income is its investment portfolio. Its investment policy is for the portfolio, consisting principally of equities and fixed interest stocks, to be managed on a total return basis to produce a regular income stream while maintaining its capital base in real terms. The performance target for the portfolio, which is managed by Investec Wealth & Investment Limited, is a real return (after taking account of headline Retail Price Index (RPI) or zero whichever is greater) of at least 4.2% on a rolling three-year basis. The Society Investment Policy does not permit investment directly in companies that have more than 20% of their business relating to either; the production or sale of tobacco products, the promotion of gambling in any form, or the production or sale of weapons or armaments.

At the end of December 2019 the value of the investment portfolio was £26,901,809 (2018: £23,562,685), which represented an actual total return gain for the year of 17.6%. On a rolling 3-year basis the total return of the Fund was 8.5% after taking into account RPI of 3% annualised over the period.

During the year the Society withdrew £673,500 (2018: £1,285,000) to support its grant-giving activities and meet its costs. This amounted to approximately 2.5% of the value of the portfolio on 31 December 2019. Overall income amounted to £800,931, in comparison to £738,039 in the previous year, of which £781,984 (2018: £712,459) was from investments.

The Society does not engage in public fundraising activities, and accordingly has nothing to report with regards to the Fundraising Act disclosures.

## 7.6 Property

The George Dent Nursery School in Darlington continues to be held by the Society as an investment property and is leased to Darlington Local Education Authority. The Society values the property at 10 times rental value and as the annual rent receivable increased to £16,000

during the year, the value of the investment property has increased to £160,000. This has resulted in a revaluation surplus of £4,000 in the year (2018: £36,000).

## 7.7 General expenditure other than grants

The support and governance costs have reduced by 7.4% during the year and amounted to 14%, (2018: 16.7%) of total expenditure including grants, largely due to expenditure savings in most areas and an increase of 15% on grants expenditure. Three part-time staff, equivalent to just over two full-time staff are employed. During April 2019 the office was moved from Loman Street to nearby Great Dover Street, London. This was at the landlord's request to enable the Loman Street building to be renovated.

## 7.8 Responsibilities of the Council in relation to the financial statements

The Society's Council is responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the applicable Charities SORP;

- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations, and the provisions of the Charter. They are also responsible for safeguarding the assets of the charity and 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 charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

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



**Peter Miller**  
**Chair**

Dated: 17 April 2020

## **Independent Auditor's Report to the**

## Trustees of The British & Foreign School Society

### Opinion

We have audited the financial statements of The British & Foreign School Society (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which

the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Other matter**

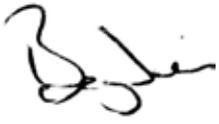
The prior year financial statements were audited by BDO LLP. An unqualified audit report was issued on 9th April 2019.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) 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 now been withdrawn. This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

### **Use of our report**

This report is made solely to the charity's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not

accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Katherine Dee FCA** (Senior Statutory Auditor)  
For and on behalf of  
Bebbies Chartered Accountants and Statutory  
Auditor  
9 Bonhill Street  
London  
EC2A 4DJ

Bebbies Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019	As Adjusted Total Funds 2018
		£	£	£	£	£
<b>INCOME</b>						
<b>Donations &amp; legacies</b>		377	-	-	377	11,343
<b>Investment income</b>						
Rents receivable	5a	15,600	-	-	15,600	12,350
Investment income	7b	752,503	29,481	-	781,984	712,459
Bank Interest receivable		2,886	84	-	2,970	1,887
Other interest receivable		-	-	-	-	-
<b>Total income</b>		<b>771,366</b>	<b>29,565</b>	<b>-</b>	<b>800,931</b>	<b>738,039</b>
<b>EXPENDITURE</b>						
<b>Expenditure on raising funds</b>						
Investment managers fees	7a	93,795	1,517	4,438	99,750	98,933
<b>Expenditure on charitable activities</b>						
Grants and costs	3	1,056,357	32,127	-	1,088,484	979,480
<b>Total expenditure</b>		<b>1,150,152</b>	<b>33,644</b>	<b>4,438</b>	<b>1,188,234</b>	<b>1,078,413</b>
<b>Net expenditure &amp; net movement in funds before net gains/(losses) on investments</b>		<b>(378,786)</b>	<b>(4,079)</b>	<b>(4,438)</b>	<b>(387,303)</b>	<b>(340,374)</b>
<b>Gross transfers between funds</b>						
Management charges to restricted funds	15	6,513	(6,513)	-	-	-
Transfer of fund balance on closure of charity	15	-	-	-	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(372,273)</b>	<b>(10,592)</b>	<b>(4,438)</b>	<b>(387,303)</b>	<b>(340,374)</b>
<b>Other recognised gains and losses</b>						
Revaluation surplus on investment property	5	4,000	-	-	4,000	36,000
Net gains/(losses) on investments	7a	3,126,195	47,851	153,275	3,327,321	(1,494,166)
<b>Net movement in funds</b>		<b>2,757,922</b>	<b>37,259</b>	<b>148,837</b>	<b>2,944,018</b>	<b>(1,798,540)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward 1 January 2019		22,547,867	513,708	1,050,276	24,111,851	25,910,391
<b>Total funds carried forward 31 December 2019</b>		<b>25,305,789</b>	<b>550,967</b>	<b>1,199,113</b>	<b>27,055,869</b>	<b>24,111,851</b>

The notes on pages 18 to 39 form part of these financial statements

## STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
<b>INCOME</b>					
<b>Donations &amp; legacies</b>		11,343	-	-	11,343
<b>Investment income</b>					
Rents receivable	5a	12,350	-	-	12,350
Investment income	7b	684,388	28,071	-	712,459
Bank Interest receivable		1,852	35	-	1,887
Other interest receivable		-	-	-	-
<b>Total income</b>		<b>709,933</b>	<b>28,106</b>	<b>-</b>	<b>738,039</b>
<b>EXPENDITURE</b>					
<b>Expenditure on raising funds</b>					
Investment managers fees	7a	92,859	1,662	4,412	98,933
<b>Expenditure on charitable activities</b>					
Grants and costs	3	968,480	11,000	-	979,480
<b>Total expenditure</b>		<b>1,061,339</b>	<b>12,662</b>	<b>4,412</b>	<b>1,078,413</b>
<b>Net expenditure &amp; net movement in funds before net gains/(losses) on investments</b>		<b>(351,406)</b>	<b>15,444</b>	<b>(4,412)</b>	<b>(340,374)</b>
<b>Gross transfers between funds</b>					
Management charges to restricted funds	15	7,111	(7,111)	-	-
Transfer of fund balance on closure of charity	15	40,290	(40,290)	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(304,005)</b>	<b>(31,957)</b>	<b>(4,412)</b>	<b>(340,374)</b>
<b>Other recognised gains and losses</b>					
Revaluation surplus on investment property	5	36,000	-	-	36,000
Net (loss)/gains on investments	7a	(1,386,993)	(15,130)	(92,043)	(1,494,166)
<b>Net movement in funds</b>		<b>(1,654,998)</b>	<b>(47,087)</b>	<b>(96,455)</b>	<b>(1,798,540)</b>
<b>Reconcillation of funds</b>					
Total funds brought forward 1 January 2018		24,202,865	560,795	1,146,731	25,910,391
<b>Total funds carried forward 31 December 2018</b>		<b>22,547,867</b>	<b>513,708</b>	<b>1,050,276</b>	<b>24,111,851</b>

The notes on pages 18 to 39 form part of these financial statements

## BALANCE SHEET AT 31 December 2019

	Note	31 December 2019		As Adjusted 31 December 2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		6,354		1,389
Investment properties	5		160,000		156,000
Investment assests	6,7		26,901,809		23,562,685
			27,068,163		23,720,074
<b>CURRENT ASSETS</b>					
Debtors and prepayments	8	2,802		2,275	
Cash at bank and in hand		122,865		518,264	
			125,667		520,539
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	9	(137,961)		(128,762)	
			(12,294)		391,777
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
			27,055,869		24,111,851
<b>NET ASSETS</b>					
<b>REPRESENTED BY:</b>					
<b>CAPITAL ACCOUNT</b>					
Unrestricted funds					
General reserve	17		25,145,789		22,391,867
Revaluation reserve	17		160,000		156,000
			25,305,789		22,547,867
Restricted funds	15		550,967		513,708
Endowment Funds	15		1,199,113		1,050,276
<b>TOTAL CHARITY FUNDS</b>			<b>27,055,869</b>		<b>24,111,851</b>

\*The notes on pages 18 - 39 form part of these financial statements

Approved by the Council and authorised for issue on  
17 April 2020 and signed on its behalf by:



P.E. Miller - Chair



D. Baron - Treasurer

## CASH FLOW STATEMENT

	See Note Below	31 December 2019 £	As Adjusted 31 December 2018 £
<b>Net cash provided by (used in) operating activities</b>	1	<b>(1,179,687)</b>	<b>(978,376)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		800,554	726,696
Purchase of property, plant and equipment		(7,532)	(1,073)
Proceeds from sale of investments		1,337,789	2,748,827
Purchase of investments		(2,007,972)	(1,985,456)
<b>Net cash provided by (used in) investing activities</b>		<b>122,839</b>	<b>1,488,994</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,056,848)</b>	<b>510,618</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>2,157,087</b>	<b>1,646,469</b>
<b>Cash and equivalents at the end of the reporting period</b>	2	<b>1,100,239</b>	<b>2,157,087</b>
<b>NOTE 1: Reconciliation of net income (expenditure) to net cash flow from operating activities</b>		<b>31 December 2019 £</b>	<b>31 December 2018 £</b>
<b>Net income (expenditure) for the reporting period (as per the statement of financial activities)</b>		<b>2,944,018</b>	<b>(2,040,900)</b>
<b>Adjustments for:</b>			
Depreciation charges		2,567	665
Unrealised revaluation surplus on Investment Property		(4,000)	(36,000)
Unrealised (gains)/losses on investments		(3,243,462)	1,449,171
Realised (gains)/losses on investments		(83,859)	63,714
Dividends, interest and rents from investments		(800,554)	(726,696)
Non-cash investment income		(3,069)	(15,722)
(Increase)/decrease in debtors		(527)	1,888
Increase/(decrease) in creditors		9,199	325,504
<b>Net cash provided by (used in) operating activities</b>		<b>(1,179,687)</b>	<b>(978,376)</b>
<b>NOTE 2: Analysis of cash and cash equivalents</b>		<b>31 December 2019 £</b>	<b>31 December 2018 £</b>
Cash in hand		122,865	518,264
Un-invested cash		977,374	1,638,823
<b>Total cash and cash equivalents</b>		<b>1,100,239</b>	<b>2,157,087</b>
<b>NOTE 3: Reconciliation of net debt</b>		<b>31 December 2019 Cash in hand £</b>	<b>31 December 2018 Un-invested cash £</b>
At the beginning of the reporting period		518,264	1,638,823
Cashflows		(395,399)	(661,449)
<b>At the end of the reporting period</b>		<b>122,865</b>	<b>977,374</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### a) Basis of preparation

The British and Foreign Society is an unincorporated charity registered in England and Wales, registered charity number 314286. The registered office is 7-14 Great Dover Street, London SE1 4YR. The objectives and activities are as noted in the Annual Report.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these financial statements. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Charities Act 2011. The accounts are prepared in £ being the functional currency of the charity and round to the nearest £.

The British & Foreign School Society meets the definition of a public benefit entity under FRS 102. The Trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern because the Society has over £26.9m of investments which is more than sufficient to cover at least 12 months of expenditure.

The most significant area of adjustment and key assumption that affects items in the financial statement relates to estimating the fair value of the investment property (see note 1(c) below).

#### b) Fixed assets

Fixed assets, with the exception of investment properties, are included at cost and are depreciated on a straight line basis over their useful lives at the following rates:

- Furniture and equipment 25%
- Computer equipment 33%

#### c) Investment properties

Investment properties are included in the financial statements at fair value. The Council has formerly valued the one remaining freehold property, the George Dent Nursery in Darlington, on the basis of ten times the annual rental income. The historic cost of the property is £1 (2018: £1).

#### d) Investment assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market price. The Statement of Financial Activities includes the net gains and losses arising on the revaluation and disposals throughout the year. The Society does not acquire put options, derivatives or other complex financial instruments.

#### e) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequently to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### f) Donations and similar incoming resources

Donations and similar incoming resources are included in the financial statements in the year in which they are receivable. All donations and legacy income is attributable to unrestricted funds.

#### g) Investment income

Investment income and any related income tax recoverable are included in the financial statements in the year in which they are receivable. In 2019, of the investment income £29,481 (2018: £28,071) was attributable to restricted funds with the balance of £752,503 (2018: £684,388) adding to unrestricted funds.

#### **h) Rental income**

Rental income is normally credited in the financial statements in the year to which it relates. All rental income is attributable to unrestricted funds.

#### **i) Expenditure**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is included in the statement of financial activities on an accruals basis and includes irrecoverable VAT.

#### **j) Charitable activities**

Charitable activities include grants and scholarships awarded by the Society and the associated support costs. Grants are accounted for in the year in which the commitment is given, all relevant conditions having been fulfilled.

#### **k) Support and governance costs**

Support costs represent the cost of administering the affairs and managing and maintaining the assets of the Society and of the other trust funds administered by the Society. These costs are allocated between the costs of supporting charitable activities and governance costs on the basis of the proportion of each resource used.

Governance costs comprise all costs relating to the public accountability of the Society and its compliance with regulation and good practice. These costs include the cost of Council meetings together with statutory audit fees.

#### **l) Fund accounting**

Trust funds that are the responsibility of the Society are included in these accounts as restricted funds and details of the nature and purpose of each fund is set out in notes 11 to 15.

#### **m) Leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **n) Financial instruments**

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

#### **o) Debtors**

Debtors are amounts owed to the Society. They are measured on the basis of their recoverable amount.

#### **p) Cash and cash equivalents**

Cash at bank is held to meet the day to day running costs of the Society as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

#### **q) Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of the past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Society anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. CHARITABLE EXPENDITURE - GRANTS

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>INSTITUTIONAL GRANTS</b>				
Able Child Africa	14,921	-	14,921	11,386
Acacia	-	-	-	6,500
Advantage Africa	6,945	-	6,945	8,277
Adventure Ashram	1,210	-	1,210	1,210
Affecting Real Change	-	-	-	1,500
Afghan Association Paiwand 2 grants	-	-	-	16,633
Africa Revival	16,410	-	16,410	5,569
Amantani UK	9,322	-	9,322	4,677
Ambition	-	-	-	15,020
Anti-Slavery International	16,506	-	16,506	9,314
A Second Chance	19,600	-	19,600	-
Aspire Academy Trust (Bugle School)	12,388	-	12,388	-
Banooda Aid Foundation	5,010	-	5,010	-
Baynards Zambia Trust	7,500	-	7,500	4,438
BMSH: Schools Outreach(Hitchin Schools)	-	-	-	16,250
BMSH: Talking in School (Hitchin Schools)	-	-	-	30,050
BMSH: Informal Learning Programme	-	-	-	5,625
Bolton Lads & Girls Club	-	-	-	8,780
Bugle School	-	-	-	6,038
Build Africa	13,152	-	13,152	-
Care Pakistan	-	-	-	57
Carefree Fostering Ind. Cornwall	29,946	-	29,946	14,867
Challenge Aid	12,656	-	12,656	-
Chance for Childhood	9,997	-	9,997	32,205
Children Change Columbia	10,000	-	10,000	10,000
Children in Crisis	-	-	-	12,095
Children on the Edge	9,958	-	9,958	25,000
Child Rescue Nepal	13,742	-	13,742	-
Classroom in the Clouds - 2 grants	14,000	-	14,000	14,685
Coco	1,000	-	1,000	17,277
Connie Rothman Learning Trust	1,150	-	1,150	1,200
Creating Better Futures	6,300	-	6,300	-
Crook Primary School	-	750	750	-
David Rattray Trust	-	-	-	9,597
Diapalante	2,750	-	2,750	2,750
Edinburgh Direct Aid	5,673	-	5,673	-
EDP Trust	-	-	-	6,000
Educaid Sierra Leone	-	-	-	2,050
Educators International	-	-	-	29,850
EduKaid - 2 grants	3,079	-	3,079	15,103
E:merge (UK) Company Ltd	11,669	-	11,669	5,737
Entraide (Mutual Aid)	30,000	-	30,000	-
Fairplay for all Foundation	-	-	-	3,988
Family Lives	9,054	-	9,054	6,453

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. CHARITABLE EXPENDITURE - GRANTS (continued)

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>INSTITUTIONAL GRANTS</b>				
Feed the Mind	9,000	-	9,000	-
Friends of Ibba Girl's School	12,900	-	12,900	14,000
Friends of Seva Mandir	-	-	-	15,472
Glebe House	7,500	-	7,500	-
Health and Hope UK	7,890	-	7,890	-
Healthprom	11,325	-	11,325	21,325
Henry Van Straubenzee Memorial Fund	-	-	-	20,000
Hitchin British Schools Trust	22,650	-	22,650	29,275
Hope for Children	14,000	-	14,000	6,000
Hope Health Action	4,090	-	4,090	-
Hull Children's University	24,376	-	24,376	23,898
International Needs	15,615	-	15,615	5,000
Joint Activities & Motor Education Service	15,000	-	15,000	5,000
Joshua Orphan and Community Care	13,523	-	13,523	-
Just be a Child	-	-	-	4,500
Kadect	5,000	-	5,000	-
Key4Life	16,734	-	16,734	-
Khula Education	-	-	-	19,195
Kidasha - 2 grants	26,502	-	26,502	27,485
Kinship Care N Ireland	5,500	-	5,500	5,590
Link Ethiopia	-	-	-	12,155
Lively Minds	-	-	-	9,651
London South Bank University	-	7,500	7,500	3,500
Made with Hope	17,585	-	17,585	-
Mobile Education Partnerships (MEP)	11,757	-	11,757	14,643
Mondo Challenge Foundation	-	-	-	12,500
Money for Madagascar	10,446	-	10,446	-
Northants Music & Performing Arts Trust	32,480	-	32,480	6,740
Omushana	6,500	-	6,500	-
Ormiston Academies Trust (OAT)	32,250	-	32,250	9,750
Our Sansar	-	-	-	2,500
Pamoja Leo	6,016	-	6,016	-
Parents and Children Together (PACT)	8,632	-	8,632	-
Practical Tools Initiative	10,000	-	10,000	-
R A Butler Academy School	-	2,500	2,500	-
Read International	6,250	-	6,250	5,391
Redearth Education	7,000	-	7,000	8,378
Right to Play	-	-	-	7,500
Rural Africa	10,000	-	10,000	-
Rwanda Aid	9,450	-	9,450	4,725
Saffron Hall Trust	-	5,000	5,000	-
Scotswood Natural Community Garden	9,105	-	9,105	7,000
See Beyond Borders	20,000	-	20,000	20,000
Signpost International	22,138	-	22,138	29,997

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. CHARITABLE EXPENDITURE - GRANTS (continued)**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>INSTITUTIONAL GRANTS</b>				
Sistema Cymru	3,600	-	3,600	3640
Solent Youth Action	5,880	-	5,880	-
Soundseekers	9,994	-	9,994	9,993
Standing Voice	11,445	-	11,445	-
STEP UK	5,000	-	5,000	-
Street Child	20,004	-	20,004	-
Talent ED	3,101	-	3,101	-
Teach A Man To Fish 2 grants	14,923	-	14,923	20,000
Team Kenya	12,816	-	12,816	12,816
Temwa	3,378	-	3,378	10,000
The Butterfly Tree	10,000	-	10,000	11,467
The Erayim Aid Trust UK	6,750	-	6,750	3,500
The Fostering Network	40,840	-	40,840	-
The Jericho Foundation	9,975	-	9,975	-
The Pahar Trust Nepal	-	-	-	14,587
The Poplar Partnership	-	-	-	7,500
Theatre Unboxed	1,200	-	1,200	-
Tower Hamlets Education Business Partnership	5,243	-	5,243	-
Toybox	24,410	-	24,410	12,122
UKBET	7,982	-	7,982	6,130
United World School	7,994	-	7,994	4,397
University of Durham	-	(263)	(263)	2,500
War Child	-	-	-	12,500
Wiltshire Community Foundation	-	16,000	16,000	-
World Child Cancer UK	6,942	-	6,942	4,275
Yes Future	9,680	-	9,680	18,300
1st Saffron Walden Boys Brigade	-	400	400	-
<b>TOTAL INSTITUTIONAL GRANTS</b>	<b>946,309</b>	<b>31,887</b>	<b>978,196</b>	<b>865,078</b>
<b>INDIVIDUAL GRANTS</b>				
Gemmill	-	240	240	-
<b>TOTAL INDIVIDUAL GRANTS</b>	<b>-</b>	<b>240</b>	<b>240</b>	<b>-</b>
<b>TOTAL GRANTS</b>	<b>946,309</b>	<b>32,127</b>	<b>978,436</b>	<b>865,078</b>
<b>GRANTS FROM OTHER FUNDS (Note 15)</b>				
Less: GRANTS RETURNED DURING THE YEAR	(3,596)	-	(3,596)	(6,099)
Less: GRANTS WITHDRAWN DURING THE YEAR	(53,469)	-	(53,469)	(60,015)
	<b>889,244</b>	<b>32,127</b>	<b>921,371</b>	<b>798,964</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. CHARITABLE EXPENDITURE

	Total 2019 £	As Adjusted Total 2018 £
Grants (see note 2)	921,371	798,964
<b>Support costs</b>		
Salaries and office costs	141,264	147,063
Legal and professional costs	4,581	10,688
<b>Governance costs</b>		
Audit and accountancy	5,880	11,900
Council and Committee meetings	15,388	10,865
	<b>1,088,484</b>	<b>979,480</b>

### 4. STAFF COSTS

	Total 2019 £	Total 2018 £
Salaries	55,833	82,468
Social security costs	2,348	7,229
Pension contributions	3,446	4,853
Consultants fees	28,391	7,057
Accountancy services	18,751	17,790
	<b>108,768</b>	<b>119,397</b>

The average number of employees during the year, calculated on a full-time equivalent basis, was:

Management and administration	<b>2</b>	<b>2</b>
-------------------------------	----------	----------

No staff employee received remuneration amounting to more than £60,000 in the year (2018: nil).

The Society considers its key management personnel to comprise the Members of the council and the Society's Director. The society delegates the day to day running of the Charity to its Director. The ultimate responsibility lies with the Trustees. The remuneration of the Director during the year was £24,474 (2018: £35,011).

In the absence of a permanent Director during the year, the Society employed a consultant who was paid fees of £25,398 (2018: £6,009). The consultant was a former member of the Council who was re-appointed after the engagement ceased. In the absence of a permanent Finance Manager during the year the Society bought in accountancy services from the Helen Taylor Thompson Foundation (trading as CAN Mezzanine) which cost £18,751 (2018: £17,790).

No remuneration was paid to any Member of the Council during 2019 or 2018. Reimbursement of expenses in relation to attendance at meetings amounted to £4,876 paid to 13 Councillors during the year (2018: £8,519 paid to 11 Councillors).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. FIXED ASSETS

	Freehold land & buildings £	Furniture & equipment £	Total £
<b>COST &amp; VALUATION</b>			
At 1st January 2019	156,000	11,024	167,024
Additions	-	7,532	7,532
Revaluation surplus	4,000	-	4,000
Disposals	-	(5,708)	(5,708)
<b>At 31st December 2019</b>	<b>160,000</b>	<b>12,848</b>	<b>172,848</b>
<b>DEPRECIATION</b>			
At 1st January 2019	-	9,635	9,635
Charge for the year	-	2,567	2,567
Disposals	-	(5,708)	(5,708)
<b>At 31st December 2019</b>	<b>-</b>	<b>6,494</b>	<b>6,494</b>
<b>NET BOOK VALUE</b>			
<b>At 31st December 2019</b>	<b>160,000</b>	<b>6,354</b>	<b>166,354</b>
At 31st December 2018	156,000	1,389	157,389

Freehold land and buildings comprise investment properties which are not depreciated.

Council values the freehold property, the George Dent Nursery in Darlington, on the basis of ten times annual rental income. A new lease has been agreed with the tenant for 2020 at an agreed rent of £16,000 per annum and Council has increased the property valuation to £160,000 accordingly, resulting in an increase to the revaluation surplus of £4,000 (2018: £36,000). The historic cost of this property is £1 (2018: £1).

#### 5a. RENTS RECEIVABLE

	2019 £	2018 £
George Dent Nursery, Darlington	15,600	12,350

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. UNITS HELD IN THE POOLED INVESTMENT FUND

Number of units held	Units held 1 Jan 2019 No.	Units purchased No.	Units sold No.	Units held 31 Dec 2019 No.
<b>ENDOWMENT FUNDS</b>				
Alfred Bourne	315	-	-	315
British School Charity	2,917	-	-	2,917
Old British School	2,161	-	-	2,161
Wilmslow Fund	2,360	-	-	2,360
Darlington College Building Fund	2,112	-	-	2,112
West Street Old British School	788	-	-	788
	<b>10,653</b>	-	-	<b>10,653</b>
<b>RESTRICTED FUNDS</b>				
BFSS Trust	1,652	-	-	1,652
Berridge Trust	344	-	-	344
South Church Trust	389	-	-	389
Sarah Walker and Spafford	1,258	-	-	1,258
	<b>3,643</b>	-	-	<b>3,643</b>
<b>UNRESTRICTED FUNDS</b>				
British & Foreign School Society	224,732	-	-	224,732
	<b>224,732</b>	-	-	<b>224,732</b>
<b>Total units held</b>	<b>239,028</b>	-	-	<b>239,028</b>

The charity invests the assets of all its funds into a single investment portfolio in order to minimise the costs of management. The portfolio is invested in a wide range of listed equities and fixed income holdings. In order to allocate the investments to each fund the portfolio is nominally divided into unitised holdings.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. UNITS HELD IN THE POOLED INVESTMENT FUND (continued)**

Number of units held	Fund market value 1 Jan 2019 No. £	Funds invested (redeemed) in year £	Increase/ (decrease) in fund value £	Fund market Value 31 Dec 2019 £
<b>ENDOWMENT FUNDS</b>				
Alfred Bourne	31,062	-	4,402	35,464
British School Charity	287,559	-	40,751	328,310
Old British School	213,063	-	30,193	243,256
Wilmslow Fund	232,672	-	32,973	265,645
Darlington College Building Fund	208,199	-	29,504	237,703
West Street Old British School	77,721	-	11,014	88,735
	<b>1,050,276</b>	<b>-</b>	<b>148,837</b>	<b>1,199,113</b>
<b>RESTRICTED FUNDS</b>				
BFSS Trust	162,818	-	23,073	185,891
Berridge Trust	33,865	-	4,799	35,664
South Church Trust	38,362	-	5,436	43,798
Sarah Walker and Spafford	124,026	-	17,577	141,603
	<b>359,071</b>	<b>-</b>	<b>50,885</b>	<b>409,956</b>
<b>UNRESTRICTED FUNDS</b>				
British & Foreign School Society	22,153,338	-	3,139,402	25,292,740
	<b>22,153,338</b>	<b>-</b>	<b>3,139,402</b>	<b>25,292,740</b>
<b>Total value of all units</b>	<b>23,562,685</b>	<b>-</b>	<b>3,339,124</b>	<b>26,901,809</b>
<b>Value per unit</b>	<b>98.58</b>	<b>-</b>	<b>-</b>	<b>112.55</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. POOLED INVESTMENT FUND

	Investments £	Un-Invested Cash £	Total £
Opening value at 1 January 2019	21,923,862	1,638,823	23,562,685
<b>FUND MOVEMENTS</b>			
Investments acquired at cost	2,007,972	(2,007,972)	-
Proceeds of investments sold	(1,337,789)	1,337,789	-
Realised gains/(losses) on sale of investments during the year	83,859	-	83,859
Unrealised gains/(losses) on investments during the year	3,243,462	-	3,243,462
Non-cash investment income	3,069	-	3,069
Investment income receivable	-	781,984	781,984
Investment management fees paid	-	(99,750)	(99,750)
Distributions to funds during the year		(673,500)	(673,500)
<b>NET FUND MOVEMENTS</b>	<b>4,000,573</b>	<b>(661,449)</b>	<b>3,339,124</b>
<b>CLOSING VALUE OF FUND AT 31 DECEMBER 2019</b>	<b>25,924,435</b>	<b>977,374</b>	<b>26,901,809</b>

	Investments	Cash	Total
UK Government stocks	1,272,332		1,272,332
Other fixed interest	960,685		960,685
UK equities	9,655,090		9,655,090
Investment and unit trusts	4,046,703		4,046,703
<b>Managed funds</b>			
Fixed interest	271,809		271,809
Overseas equities	6,789,402		6,789,402
Property & infrastructure	2,908,414		2,908,414
Cash on deposit		977,374	977,374
	<b>25,924,435</b>	<b>977,374</b>	<b>26,901,809</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7a. INVESTMENT RETURN

	2019 £	2018 £
Unrealised gains/(losses) on investment during the year	3,243,462	(1,430,452)
Realised gains/(losses) on investment during the year	83,859	(63,714)
Net gains/(losses) on investment assets	3,327,321	(1,494,166)
Investment income receivable (see note 7b))	781,984	712,459
Investment management fees paid and accrued	(99,750)	(98,933)
	<b>4,009,555</b>	<b>(880,640)</b>

The charity derives the majority of its income from the above investments. Whilst most of the funds held by the charity are available to meet expenditure, the Trustees must balance the needs of current beneficiaries against those of the future. For this reason, although largely not a permanent endowment fund, the Society uses a total return basis in order to inform its budgeted expenditure across all funds.

The Trustees report includes further discussion regarding the investment policy of the charity.

The Trustees budgeted to spend from the investments returns detailed above £1,450,722 (2018: £1,285,000) to cover the spending requirements of the charity in the year. The remainder of the investment returns are to remain invested.

### 7b. INVESTMENT INCOME

	2019 £	2018 £
UK Government stocks	23,165	22,609
Other fixed interest	68,131	65,125
UK equities	457,205	413,352
Investment and unit trusts	74,203	73,225
<b>Managed funds</b>		
Fixed interest	32,370	20,842
Overseas equities	126,910	117,306
Property & infrastructure	-	-
	<b>781,984</b>	<b>712,459</b>

### 8. DEBTORS AND PREPAYMENTS

	2019 £	2018 £
<b>Due within one year</b>	2,802	2,275
Sundry debtors and prepayments	<b>2,802</b>	<b>2,275</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. CREDITORS AND ACCRUALS

	2019	As Adjusted 2018
	£	£
Grants payable	85,775	69,328
Rent received in advance	3,900	3,900
Other creditors	48,286	55,534
<b>Creditors and accruals</b>	<b>137,961</b>	<b>128,762</b>

### 10. FINANCIAL COMMITMENTS

#### a) Other grants

At the year end the Society has the intention to pay grants totalling £ 712,306 (2018: £547,235) in the future which have not been included in the accounts as they are conditional on the recipients providing satisfactory evidence that they have met all of the requirements required by the Society.

#### b) Leases

The Society is currently located in shared offices in London with an annual licence fee of £9,320. Service costs are based on usage and charged quarterly in arrears. The licence is terminable at three months notice giving a commitment of £2,330.

#### c) Archive

By Deed of Covenant and Gift signed on 11 December 2013 the Society made a gift of the Archive to Brunel University. No further payment to Brunel University in respect of the Archive will therefore be made, nor will any further insurance costs be incurred.

#### d) Capital commitments

The Society has no capital commitments at 31 December 2019 (2018: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. RESTRICTED FUNDS

Restricted funds represent the other charitable trusts which are administered by the Society and of which the Society is the Trustee. These funds are listed on the following page with their main objectives and a brief review of the year's activities. All the funds are to be used for educational purposes. A financial summary of these funds is set out in Note 15.

Endowment funds represent amounts held by the charity where the capital is held for the longer term to generate income for the charity or the other trusts which are administered by the Society. Where the charity holds permanent endowments there is no ability to spend the capital funds. Expendable endowments can be spent if the Trustees see fit, but in certain cases the charity is restricted to the areas in which the capital can be spent.

The Society is Trustee of the following funds which provide scholarships, bursaries and grants:

#### **The Alfred Bourne Trust Fund (subsidiary of Charity number 314286)**

The Fund provides financial assistance to persons undertaking education up to the age of 30 in accordance with the general objects of The British & Foreign School Society. In furtherance of these objects, the Trust awarded grants in 2019 of £1,500 (2018: £500).

#### **The Berridge Trust (subsidiary of Charity number 314286)**

The object of the Trust is to promote the training of cookery teachers. The Trust did not award any grants during the year (2018: £nil).

#### **The British School Charity (subsidiary of Charity number 314286)**

The object of the charity is to promote the education of persons under the age of 25 in the neighbourhood of Saffron Walden. The Trust awarded grants of £8,140 in 2019 (2018: £nil).

#### **The Sarah Walker and Spafford Memorial Fund (administered under Charity number 314286)**

The Fund was set up to provide grants for exploration and travel to students at Durham University. The Trust received a refunded grant of £263 in 2019 (2018: £2,500)

#### **South Church Educational Fund (subsidiary of Charity number 314286)**

The Trust operates to promote education in the area of the District of the Wear Valley. The Trust awarded grants of £750 in 2019 (2018: £nil)

#### **Old British School (Charity number 309444)**

The object of the charity is to promote the education of persons under the age of 25 who are in need of financial assistance and live within a radius of 20 miles from Bratton, Wiltshire, preference being given to those residents in Bratton. During the year the Trust awarded grants of £16,000 (2018: £5,000) given to those resident in Bratton.

The Society appoints all 12 Governors as Trustees of:

#### **The British & Foreign School Society Trust (BFSS Trust) (Charity number 312516)**

The objects of the Trust are to provide financial assistance or award scholarships or grants to persons in the London Boroughs of Bermondsey, Bethnal Green, Poplar, Southwark and Stepney in connection with their education. The Trust awarded grants of £6,000 in 2019 (2018: £3,000) The fund is an expendable endowment, however the capital is restricted.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. WILMSLOW BRITISH SCHOOL ENDOWMENT FUND (subsidiary of Charity number 314286)

As authorised by the Charity Commissioners, The British & Foreign School Society continues to apply the clear income of this fund for its general purposes.

	2019 £	2018 £
Market value of units held in the Pooled Investment Fund (note 6)		
Fund value at 31 December 2019	265,645	232,672

The fund is an expendable endowment, however the capital is restricted.

### 13. DARLINGTON COLLEGE BUILDING FUND

The fund was set up in 1955 and comprises investments as described below.

The income of the fund is applied in furtherance of the general purposes of the Society

	2019 £	2018 £
Market value of units held in the Pooled Investment Fund (note 6)		
Fund value at 31 December 2019	237,703	208,199

The fund is an expendable endowment, however the capital is restricted.

### 14. WEST STREET OLD BRITISH SCHOOL, WAREHAM (subsidiary of Charity number 314286)

As authorised by the Charity Commissioners, The British & Foreign School Society continues to apply the clear income of this fund for its general purpose

	2019 £	2018 £
Market value of units held in the Pooled Investment Fund (note 6)		
Fund value at 31 December 2019	88,735	77,721

The fund is a permanent endowment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RESTRICTED FUNDS - TRUSTS AND OTHER FUNDS ADMINISTERED BY THE SOCIETY

	Total Endowment Funds		Alfred Bourne		British School Charity		Old British School	
	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
<b>Resources Expended</b>								
Direct charitable expenditure								
Management and administration								
- Investment management fees	4,438	4,412	130	139	1,216	1,207	898	890
<b>Total resources expended</b>	<b>4,438</b>	<b>4,412</b>	<b>130</b>	<b>139</b>	<b>1,216</b>	<b>1,207</b>	<b>898</b>	<b>890</b>
<b>Net income/(expenditure) before gains/(losses) on inv</b>	<b>(4,438)</b>	<b>(4,412)</b>	<b>(130)</b>	<b>(139)</b>	<b>(1,216)</b>	<b>(1,207)</b>	<b>(898)</b>	<b>(890)</b>
Net movement in market value of Pooled investment fund units (see note 7)	153,275	(92,043)	4,532	(2,714)	41,967	(25,202)	31,091	(18,677)
<b>Net movement in funds</b>	<b>148,837</b>	<b>(96,455)</b>	<b>4,402</b>	<b>(2,853)</b>	<b>40,751</b>	<b>(26,409)</b>	<b>30,193</b>	<b>(19,567)</b>
Fund balances brought forward at 1 January 2019	1,050,276	1,146,731	31,062	33,915	287,559	313,968	213,063	232,630
Fund balances carried forward at 31 December 2019	1,199,113	1,050,276	35,464	31,062	328,310	287,559	243,256	213,063

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RESTRICTED FUNDS - TRUSTS AND OTHER FUNDS ADMINISTERED BY THE SOCIETY (continued)

	Wilmslow British School Endowment Fund		Darlington College Building Fund		West Street Old British School	
	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
<b>Resources Expended</b>						
Direct charitable expenditure						
Management and administration						
- Investment management fees	985	977	881	874	329	325
<b>Total resources expended</b>	<b>985</b>	<b>977</b>	<b>881</b>	<b>874</b>	<b>329</b>	<b>325</b>
<b>Net income/(expenditure) before gains/(losses) on inv</b>	<b>(985)</b>	<b>(977)</b>	<b>(881)</b>	<b>(874)</b>	<b>(329)</b>	<b>(325)</b>
Net movement in market value of Pooled investment fund units (see note 7)	33,958	(20,391)	30,385	(18,247)	11,343	(6,812)
<b>Net movement in funds</b>	<b>32,973</b>	<b>(21,368)</b>	<b>29,504</b>	<b>(19,121)</b>	<b>11,014</b>	<b>(7,137)</b>
Fund balances brought forward at 1 January 2019	232,672	254,040	208,199	227,320	77,721	84,858
Fund balances carried forward at 31 December 2019	265,645	232,672	237,703	208,199	88,735	77,721

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RESTRICTED FUNDS - TRUSTS AND OTHER FUNDS ADMINISTERED BY THE SOCIETY (continued)

	Total restricted funds		BFSS Trust		Alfred Bourne		Berridge Trust	
	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
<b>Incoming resources</b>								
<b>Investment income</b>								
Pooled investment fund	29,481	28,071	5,396	4,917	1,017	997	1,095	926
Bank Interest	84	35	15	6	3	1	3	1
<b>Total Incoming Resources</b>	<b>29,565</b>	<b>28,106</b>	<b>5,411</b>	<b>4,923</b>	<b>1,020</b>	<b>998</b>	<b>1,098</b>	<b>927</b>
<b>Resources</b>								
<b>Expended</b>								
Direct charitable expenditure	32,127	11,000	6,000	3,000	1,500	500	-	-
Management and administration								
- Investment management fees	1,517	1,662	688	683	-	-	140	129
- from main fund	6,513	7,111	1,191	1,245	225	234	242	252
<b>Total resources expended</b>	<b>40,157</b>	<b>19,773</b>	<b>7,879</b>	<b>4,928</b>	<b>1,725</b>	<b>734</b>	<b>382</b>	<b>381</b>
<b>Net income/(expenditure) before gains/(losses) on inv</b>	<b>(10,592)</b>	<b>8,333</b>	<b>(2,468)</b>	<b>(5)</b>	<b>(705)</b>	<b>264</b>	<b>716</b>	<b>546</b>
Net movement in market value of Pooled investment fund units (see note 7)	47,851	(15,130)	22,959	(10,310)	(207)	(2,231)	4,658	(1,942)
<b>Net movement in funds</b>	<b>37,259</b>	<b>(6,797)</b>	<b>20,491</b>	<b>(10,315)</b>	<b>(912)</b>	<b>(1,967)</b>	<b>5,374</b>	<b>(1,396)</b>
Transfer to General Reserve on closure of the charity	-	(40,290)	-	-	-	-	-	-
Fund balances brought forward at 1 January 2019	513,708	560,795	175,730	186,045	7,952	9,919	43,259	44,655
Fund balances carried forward at 31 December 2019	550,967	513,708	196,221	175,730	7,040	7,952	48,633	43,259

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RESTRICTED FUNDS - TRUSTS AND OTHER FUNDS ADMINISTERED BY THE SOCIETY (continued)

	Rowlett Educational Foundation		British School Charity		South Church Educational Fund		Sarah Walker and Spafford Memorial Fund		Old British School	
	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
<b>Incoming resources</b>										
<b>Investment income</b>										
Pooled investment fund	-	1,211	9,539	8,692	1,251	1,140	4,145	3,776	7,038	6,412
Bank Interest	-	2	27	11	4	1	12	5	20	8
<b>Total Incoming Resources</b>	-	1,213	9,566	8,703	1,255	1,141	4,157	3,781	7,058	6,420
<b>Resources Expended</b>										
Direct charitable expenditure	-	-	8,140	-	750	-	(263)	2,500	16,000	5,000
Management and administration										
- Investment management fees	-	168	-	-	160	158	529	524	-	-
- from main fund	-	307	2,108	2,202	276	289	916	957	1,555	1,625
<b>Total resources expended</b>	-	475	10,248	2,202	1,186	447	1,182	3,981	17,555	6,625
<b>Net income/(expenditure) before gains/(losses) on inv</b>	-	738	(682)	6,501	69	694	2,975	(200)	(10,497)	(205)
Net movement in market value of Pooled investment fund units (see note 7)	-	(2,540)	(1,374)	6,973	5,325	(2,391)	17,635	(7,919)	(1,145)	5,230
<b>Net movement in funds</b>	-	(1,802)	(2,056)	13,474	5,394	(1,697)	20,610	(8,119)	(11,642)	5,025
Transfer to General Reserve on closure of the charity	-	(40,290)	-	-	-	-	-	-	-	-
Fund balances brought forward at 1 January 2019	-	42,092	68,452	54,978	49,585	51,282	137,181	145,300	31,549	26,524
Fund balances carried forward at 31 December 2019	-	-	66,396	68,452	54,979	49,585	157,791	137,181	19,907	31,549

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Investments £	Net current assets £	Total £
<b>ENDOWMENT FUNDS</b>				
Alfred Bourne - permanent endowment	-	35,464	-	35,464
British School Charity - permanent endowment	-	328,310	-	328,310
Old British School - expendable endowment	-	243,256	-	243,256
Wilmslow British School Fund - expendable endowment	-	265,645	-	265,645
Darlington College Building Fund - expendable endowment	-	237,703	-	237,703
West Street Old British School - permanent endowment	-	88,735	-	88,735
	-	1,199,113	-	1,199,113
<b>RESTRICTED FUNDS</b>				
BFSS Trust	-	185,891	10,330	196,221
Alfred Bourne	-	-	7,040	7,040
Berridge Trust	-	38,664	9,969	48,633
British School Charity	-	-	66,396	66,396
South Church Trust	-	43,798	11,181	54,979
Sarah Walker and Spafford	-	141,603	16,188	157,791
Old British School	-	-	19,907	19,907
	-	409,956	141,011	550,967
<b>UNRESTRICTED FUNDS</b>				
British & Foreign School Society	166,354	25,292,740	(153,305)	25,305,789
	166,354	25,292,740	(153,305)	25,305,789
	166,354	26,901,809	(12,294)	27,055,869

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS IN 2018

	Tangible fixed assets £	Investments £	Net current assets £	Total £
<b>ENDOWMENT FUNDS</b>				
Alfred Bourne - permanent endowment	-	31,062	-	31,062
British School Charity - permanent endowment	-	287,559	-	287,559
Old British School - expendable endowment	-	213,063	-	213,063
Wilmslow British School Fund - expendable endowment	-	232,672	-	232,672
Darlington College Building Fund - expendable endowment	-	208,199	-	208,199
West Street Old British School - permanent endowment	-	77,721	-	77,721
	-	1,050,276	-	1,050,276
<b>RESTRICTED FUNDS</b>				
BFSS Trust	-	162,818	12,912	175,730
Alfred Bourne	-	-	7,952	7,952
Berridge Trust	-	33,865	9,394	43,259
Rowlett Foundation	-	-	-	-
British School Charity	-	-	68,452	68,452
South Church Trust	-	38,362	11,223	49,585
Sarah Walker and Spafford	-	124,026	13,155	137,181
Old British School	-	-	31,549	31,549
	-	359,071	154,637	513,708
<b>UNRESTRICTED FUNDS</b>				
British & Foreign School Society	157,389	22,153,338	237,140	22,547,867
	157,389	22,153,338	237,140	22,547,867
	157,389	23,562,685	391,777	24,111,851

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. PRIOR YEAR ADJUSTMENT

	Prior to adjustment	Adjustment	2018
	£	£	£
<b>STATEMENT OF FINANCIAL ACTIVITIES EXPENDITURE</b>			
Expenditure on charitable activities	1,221,840	(242,360)	979,480
Grants and costs			
<b>BALANCE SHEET LIABILITIES</b>			
Creditors: amounts falling due within one year	665,998	(537,236)	128,762
<b>Total funds brought forward 1 January 2018</b>	<b>25,615,515</b>	<b>294,876</b>	<b>25,910,391</b>
<b>Total funds carried forward 31 December 2018</b>	<b>23,574,615</b>	<b>537,236</b>	<b>24,111,851</b>
<b>Funds comprise:</b>			
<b>Endowment</b>	-	1,050,276	1,050,276
<b>Restricted</b>	1,045,392	(531,684)	513,708
<b>Unrestricted</b>	22,529,223	18,644	22,547,867
	<b>23,574,615</b>	<b>537,236</b>	<b>24,111,851</b>

#### Prior year adjustments have been made in respect of:

1. In 2016 the Society received a £10,000 legacy. After the 2019 Balance Sheet date the Trustees were informed that this sum had been distributed in error and that the charity had not been entitled to recognise the donation. This donation has now been repaid by the Society.
2. The Society gives multi-year grants. These grants are paid in tranches, with each tranche following the first tranche contingent on the approval of the Society having reviewed the results of the previous payment and being satisfied with the progress of the project in line with the conditions and milestones set out in the grant offer.  
  
The previous accounting policy had been to recognise grants, in full for the following year. In accordance with the SORP, adjustment has been made to recognise the commitment of the charity to pay the grants, only when the grant instalment is reviewed and approved for payment.
3. The reserves have been separated to separately identify endowment funds held by the Society.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **19. RELATED PARTY TRANSACTION**

Following the resignation of the Society Director, Mr M Leighton, the Society obtained the consent of the Charity Commission to employ Mr D Crowther as Interim Director, up until May 2019. Mr Crowther was a Trustee of the society and resigned as a Trustee for the duration of his employment by the Society. The Society recruited Dr J Knight as a permanent Director to replace Mr Crowther.

Two of the Society Trustees are Members of an organisation in receipt of grants totalling £22,650 in 2019 (2018: £29,275) and with outstanding grants of £7,415 at 31 December 2019. These grants were provided on an arms-length basis, in accordance with the Society grant evaluation criteria and its Objects, and the Trustees concerned were not part of the decision making process.

## **MEMBERS OF THE GRANTS COMMITTEE**

Prof J A Palmer Cooper (Chair)  
Mrs K Hughes  
Mr L Stephen  
Mr G T Kingsley  
Mr P Miller  
Mr V Craggs  
Mr S J Wordsworth (until May 2019)

## **MEMBERS OF THE FINANCE AND INVESTMENT COMMITTEE**

Mr D M Baron (Chair)  
Mr P Miller  
Mr L Stephen  
Ms K Hughes (from June 2019)

## **DELEGATES OF BFSS TRUST FUNDS**

### **The Alfred Bourne Trust Fund**

Officers of the Society

### **Berridge Trust**

Officers of the Society

### **The British School Charity**

Ms J Durning  
Ms C Cameron  
Mrs D Hoy  
Mr M Blayney

### **Sarah Walker & Spafford Memorial Fund**

Officers of the Society

### **South Church Educational Fund**

Mr J R Bell  
Dr M H Richardson

## **TRUSTEES OF THE BFSS TRUST**

Mr T Andew (from May 2019)  
Mrs C Cashman (from May 2019)  
Mr V Craggs  
Mrs J Creasy  
Mr D S Crowther (July 2019-Nov 2019) Mr A Gibbs (to May 2019)  
Mrs D Hoy  
Mrs K Hughes  
Mr G T Kingsley  
Mr L Stephen  
Mr S J Wordsworth (to May 2019)

## **TRUSTEES OF THE OLD BRITISH SCHOOL**

BFSS Councillors

## **REPRESENTATIVES SERVING ON OUTSIDE BODIES**

### **TRUSTEES:**

**Caroline Lindley's Educational Foundation, Norwich**

Mr C R Watt

Mrs J M Hault

**Great and Little Leighs Educational Charity, Essex**

Mr G T Kingsley

**Prior's Charity, Chesham**

Mr T Andrew

### **GOVERNORS:**

**Isleworth and Syon School for Boys**

Ms S Lawman

Dr E J Tomlinson

**Management Committee – Steeple Bumpstead Educational Charity**

Mrs R O'Hare

**The Hitchin British School Trust**

Mr G T Kingsley





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Registered Charity no. 314286

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