

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 2014

THE EDWARD JAMES FOUNDATION LIMITED

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THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

REPORT OF THE CHAIRMAN

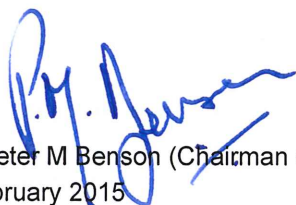
Following two years of significant reorganisation and change the last year ended has been one of consolidation for the Edward James Foundation.

The financial results showed a significant improvement from those of the previous year and demonstrated that we are currently able to manage our routine operations effectively on a breakeven basis. The Trustees are determined to improve these results yet further, and generate regular significant surpluses in the years to come, and thus underpin and enhance our primary charitable objective, the substantially subsidised education of both our short and long term students. Much of the last year has concentrated upon determining how the facilities and opportunities inherent in our Estate, our great House and our remarkable Gardens can be made to generate greater income to this end.

In addition we are having to review with especial care how we can, over time, meet three sets of continuing extraordinary costs with which we are currently burdened, those relating to a material pension fund deficit, significant repairs to West Dean House itself, and upgrading and improving much of our property portfolio on the Estate. In the latter two cases too little was undoubtedly spent for too long.

Plans are in hand to deal with each of these difficult issues.

We have been much aided in the past year by the efforts of our enthusiastic and inventive staff who are responding to the challenges with vigour, a debt is owed.



Hon Peter M Benson (Chairman of Trustees)
20 February 2015

THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014 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 manages the Foundation's in-hand farming activities. With effect from September 2014, the Trustees of the Foundation determined to cease the in-hand farming operation and this decision means it is no longer appropriate to consider the trading company a going concern. The process of liquidating its assets commenced in 2013/14 and will conclude in 2014/15 with a view to the company 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. Its assets are in course of being liquidated or transferred to the Foundation with a view to the entity being wound-up;
- West Dean Construction Services Limited – a dormant construction company, which was struck off on 1 October 2013.

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 four 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

THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Remuneration Committee, based upon the recommendations of the Chief Executive. The Collections Advisory Group reviews the stewardship of the Foundation's archive and art collections.

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 now being delegated to the newly formed 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 Director of Finance and Enterprise, 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 2014.

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 2014

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 Studio currently operates at West Dean College and Stirling Castle in Scotland;
- 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 recently-created 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 2014

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 †	(Chairman)
Nigel Davis MA (Oxon) † ‡	
Lady Caroline Egremont ‡	
Caroline Griffith	(Appointed 25 April 2014)
Professor Nigel Llewellyn PhD FSA ‡	
The Viscount Mersey MA (Oxon)	(Appointed 18 October 2013)
Francis Plowden FCA †	(Appointed 16 December 2014)
David Seddon	

† Member of Finance and Audit Committee

‡ Member of Collections Advisory Group

CHIEF OFFICER

Peter Pearce BSc FRICS	(Chief Executive)
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PROFESSIONAL ADVISERS

LEGAL

Stone King LLP
13 Queen Square
Bath
Somerset BA1 2HJ

Blake Lapthorn
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire PO6 2ST

THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

BANKERS	National Westminster Bank plc 5 East Street Chichester West Sussex PO19 1HH
AUDITORS	Jones Avens Limited 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
INSURERS	NFU Mutual 1 North Pallant Chichester West Sussex PO19 1TJ
INVESTMENT MANAGERS/ADVISERS	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
ESTATE MANAGERS	Smiths Gore Exchange House Petworth West Sussex GU28 0BF
PENSIONS ADMINISTRATORS	The Pensions Trust Verity House 6 Canal Wharf Leeds LS11 5BQ

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2013/14 financial year the Foundation:

- completed its staff reorganisation and enhanced its HR policies and processes;
- made significant progress to improve its annual operating result;
- made significant progress in improving its estate properties and their rents;
- ceased direct farming through Karova Farms Ltd, letting the farms to tenants;
- improved internal college processes;
- achieved revalidation of the College's programme by the University of Sussex, the College's Full Partner;
- created marketing plans for student recruitment with positive effect;
- considered future policy for chattels;
- commenced a cyclical programme to refurbish bedrooms in West Dean House;
- improved the offer and quality of service to guests;
- achieved significantly increased media coverage;

THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

- reviewed its events programme, including launching the Design and Craft Fair;
- made progress in commencing discussions on a Whole Estate Plan with the South Downs National Park Authority;
- continued appraisal and planning for the renewal and extension of the biomass heating system serving the College and other properties, fuelled by Estate woodchip;
- planned and launched new booking software (installed December 2014);
- continued work on the last of the series of tapestries for Stirling Castle, a long-term commission for Historic Scotland;
- launched a range of designs in partnership with Sue Timney inspired by the art, architecture and decorations of West Dean House, including tableware and stationery;
- participated in discussions with its neighbour and tenant, the Weald and Downland Open Air Museum, over the latter's development plans and the potential for closer collaboration in activities.

Educational activities during the year included:

	2013/14	2012/13
Number of MA and diploma students	58 FTE	63 FTE
Diploma programmes subsidies	£1,631,079	£1,343,885
Scholarships, bursaries and internships awarded	£392,066	£388,607
Number of short course students	5,662	5,615
Short course subsidies	£417,484	£305,138
Number of short course tutors	310	312
Days of Continuing Professional Development delivered	606	660

GRANT-MAKING AND DIPLOMA PROGRAMMES

The value of the scholarships and internships awarded to students by the Foundation in the year amounted to £160,757 (£170,070 in 2012/13). Awards totalling a further £231,309 (£218,537 in 2012/13) 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 2014

FINANCIAL REVIEW

Operating results for the year

The results for the year are summarised below:

	Income £'000	Expenditure £'000	2014 Net £'000	2013 Net £'000
Financial investments	1,249	14	1,235	1,094
Trading (including profit on disposal of assets)	3,087	2,370	717	(19)
West Dean Estate	1,237	1,129	108	(31)
Fundraising	209	59	150	62
Governance	0	121	(121)	(187)
Net operating income available for educational activities	5,782	3,693	2,089	919
Educational subsidy	3,635	5,811	(2,176)	(1,797)
Total operating deficit	9,417	9,504	(87)	(878)
Exceptional acquisition of Tragopan Corporation Limited			0	10,231
Surplus/(deficit) before investment gains			(87)	9,353
Investment gains			1,822	1,331
Actuarial gains/(losses)			(376)	687
Net incoming resources			1,359	11,371
Fund balances at 1 October 2013			62,398	49,027
Prior year adjustment			0	2,000
Fund balances at 30 September 2014			63,757	62,398

As shown above, the Group recorded a much reduced total operating deficit of £87k as against that of £878k in the previous year, a significant improvement on the amount budgeted. The Trustees are now 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 2014

Tragopan Corporation Limited

Following the acquisition, for no consideration, of 100% of the equity of Tragopan Corporation Limited in 2012/13, significant progress has been made in 2013/14 with the task of liquidating or transferring its assets to the Foundation. This process will continue in 2014/15 with a view to the entity being wound up in due course.

Investment gains

The investment gains during the year of £1,822,582 (2012/13 - £1,330,962) represent:

- An increase of £1,866,456 (2012/13 – increase of £1,358,798) in the valuation of the Group's investment assets. This increase was led by a rise of £1,138,521 in the value of financial investments, as further enhanced by a rise of £727,935 in respect of West Dean Estate investment property. 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 loss of £43,874 (2012/13 - £27,836) was realised on the disposal of financial investment assets during the year. This loss arose when disposing of the Group's remaining bond holdings and when liquidating Tragopan Corporation Limited's financial investment portfolio.

Actuarial gains

The deficit for accounting purposes on The Edward James Foundation Final Salary Pension Scheme increased by £45,000 during the year (2012/13 – reduction of £687,000). 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 is in course of being moved from The Pensions Trust to Jardine Lloyd Thompson; once this transfer is complete, it is hoped to develop a more proactive exit strategy.

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 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 as outlined above is to ensure growing operational surpluses in future years.

THE EDWARD JAMES FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 of the Trustees 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 2014 – 15

The main objectives for the coming year include to:

- Continue with financial planning to strengthen the Foundation's long-term operating results;
- Review and develop the educational portfolio given the appointment of a new Director of Education (January 2014);
- Continue with plans to raise the Foundation's profile, improve its communications and marketing, increase student numbers, and strengthen its online presence;
- Develop plans to meet and fund maintenance needs over the coming years in the light of the recent quinquennial survey of West Dean House;
- Work with Smiths Gore to maintain and improve the Estate's properties and their financial contribution;
- Renew the woodfuel district heating system in conjunction with revision of the estate forestry plan, with a view to implementation in 2015;
- Progress plans for repairs and improvements to West Dean House, including facilities for teaching.

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

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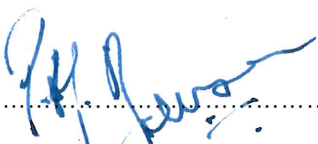
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

will transfer the administration of the Scheme to Jardine Lloyd Thompson (JLT) and will commence working on a more proactive exit strategy.

* * * *

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



Hon Peter M Benson (Chairman of Trustees)

20 February 2015

THE EDWARD JAMES FOUNDATION LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

We have audited the accounts of The Edward James Foundation Limited for the year ended 30 September 2014 set out on pages 16 to 48. 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 accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

THE EDWARD JAMES FOUNDATION LIMITED

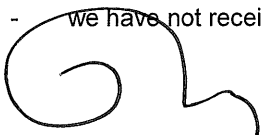
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE EDWARD JAMES FOUNDATION LIMITED

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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: 4 March 2015

THE EDWARD JAMES FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	68,652	140,330	208,982	180,442
Activities for generating funds	3	2,938,775	-	2,938,775	2,481,914
Investment income	4	2,427,137	59,333	2,486,470	2,247,250
		5,434,564	199,663	5,634,227	4,909,606
Incoming resources from charitable activities	5	3,635,211	-	3,635,211	3,651,430
Tragopan Corporation Limited share capital	6	-	-	-	10,231,459
Profit on disposal of assets	6	147,630	-	147,630	-
Total incoming resources		9,217,405	199,663	9,417,068	18,792,495
<u>Resources expended</u>					
Costs of generating funds					
West Dean Estate		1,129,074	94	1,129,168	1,153,326
Trading costs	3	2,371,012	-	2,371,012	2,500,573
Investment management and fundraising costs		72,569	-	72,569	150,286
		3,572,655	94	3,572,749	3,804,185
Charitable activities					
Continuing education courses		2,793,409	23,754	2,817,163	2,615,907
Diploma programmes		2,492,955	116,738	2,609,693	2,435,233
Tapestry Studio		173,588	-	173,588	214,675
Training conferences and courses		210,609	-	210,609	182,231
Total charitable expenditure		5,670,561	140,492	5,811,053	5,448,046
Governance costs		120,573	-	120,573	187,492
Total resources expended	7	9,363,789	140,586	9,504,375	9,439,723
Net (outgoing)/incoming resources before transfers		(146,384)	59,077	(87,307)	9,352,772
Gross transfers between funds		55,812	(55,812)	-	-
Net (outgoing)/incoming resources		(90,572)	3,265	(87,307)	9,352,772
Other recognised gains and losses					
Gains on investment assets	14	1,767,232	55,350	1,822,582	1,330,962
Actuarial (loss)/gain on defined benefit pension scheme	22	(376,000)	-	(376,000)	687,000
Net movement in funds		1,300,660	58,615	1,359,275	11,370,734
Fund balances at 1 October 2013		61,138,242	1,259,825	62,398,067	51,027,333
Fund balances at 30 September 2014		62,438,902	1,318,440	63,757,342	62,398,067

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 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	2,553,335	140,330	2,693,665	212,192
Activities for generating funds	3	340,688	-	340,688	277,572
Investment income	4	3,447,127	59,333	3,506,460	2,512,869
		6,341,150	199,663	6,540,813	3,002,633
Incoming resources from charitable activities	5	3,635,211	-	3,635,211	3,651,430
Tragopan Corporation Limited share capital	6	-	-	-	10,231,459
Total incoming resources		9,976,361	199,663	10,176,024	16,885,522
<u>Resources expended</u>					
Costs of generating funds					
West Dean Estate		1,129,074	94	1,129,168	1,153,326
Trading costs	3	442,765	-	442,765	454,166
Investment management and fundraising costs		62,544	-	62,544	132,682
		1,634,383	94	1,634,477	1,740,174
Charitable activities					
Continuing education courses		2,793,409	23,754	2,817,163	2,615,907
Diploma programmes		2,492,955	116,738	2,609,693	2,435,233
Tapestry Studio		173,588	-	173,588	214,675
Training conferences and courses		210,609	-	210,609	182,231
Total charitable expenditure		5,670,561	140,492	5,811,053	5,448,046
Governance costs		105,248	-	105,248	163,542
Total resources expended	7	7,410,192	140,586	7,550,778	7,351,762
Net (outgoing)/incoming resources before transfers		2,566,169	59,077	2,625,246	9,533,760
Gross transfers between funds		55,812	(55,812)	-	-
Net (outgoing)/incoming resources		2,621,981	3,265	2,625,246	9,533,760
Other recognised gains and losses					
(Losses)/gains on investment assets	14	(1,087,332)	55,350	(1,031,982)	1,407,842
Actuarial (loss)/gain on defined benefit pension scheme	22	(376,000)	-	(376,000)	687,000
Net movement in funds		1,158,649	58,615	1,217,264	11,628,602
Fund balances at 1 October 2013		61,309,370	1,259,825	62,569,195	50,940,593
Fund balances at 30 September 2014		62,468,019	1,318,440	63,786,459	62,569,195

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 2014

	Group 2014 £	2013 £	Charity 2014 £	2013 £
Gross income	9,417,068	18,792,495	10,176,024	16,885,522
Loss on disposal of investment assets	(43,874)	(27,836)	(29,217)	(35,194)
Provision for loss in value of investments below cost	243,500	(768,551)	(2,625,721)	(684,313)
Total income	9,616,694	17,996,108	7,521,086	16,166,015
Total expenditure from income funds	9,504,375	9,439,723	7,550,778	7,351,762
Net income for the year	112,319	8,556,385	(29,692)	8,814,253

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 48, 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

Net income for the year	112,319	8,556,385	(29,692)	8,814,253
Unrealised gains on investment assets	1,622,956	2,127,349	1,622,956	2,127,349
Actuarial (loss)/gain on defined benefit pension schemes	(376,000)	687,000	(376,000)	687,000
	1,359,275	11,370,734	1,217,264	11,628,602

THE EDWARD JAMES FOUNDATION LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2014

	Notes	Group 2014 £	2013 £	Charity 2014 £	2013 £
Fixed assets					
Intangible assets	15	8,000	10,000	8,000	10,000
Tangible assets	16	24,696,638	24,747,917	17,301,914	17,348,891
Investments	17	40,509,034	40,373,737	48,199,611	48,969,515
		<u>65,213,672</u>	<u>65,131,654</u>	<u>65,509,525</u>	<u>66,328,406</u>
Current assets					
Stocks		761,462	1,281,299	345,100	357,455
Debtors	18	1,772,833	1,410,825	1,952,363	934,408
Cash at bank and in hand		1,289,620	935,242	928,679	751,302
		<u>3,823,915</u>	<u>3,627,366</u>	<u>3,226,142</u>	<u>2,043,165</u>
Creditors: amounts falling due within one year	19	<u>(2,843,245)</u>	<u>(2,444,276)</u>	<u>(2,512,208)</u>	<u>(1,936,840)</u>
Net current assets		<u>980,670</u>	<u>1,183,090</u>	<u>713,934</u>	<u>106,325</u>
Total assets less current liabilities		<u>66,194,342</u>	<u>66,314,744</u>	<u>66,223,459</u>	<u>66,434,731</u>
Creditors: amounts falling due after more than one year	20	<u>-</u>	<u>(1,524,677)</u>	<u>-</u>	<u>(1,473,536)</u>
Net assets excluding pension liability		<u>66,194,342</u>	<u>64,790,067</u>	<u>66,223,459</u>	<u>64,961,195</u>
Defined benefit pension liability	22	<u>(2,437,000)</u>	<u>(2,392,000)</u>	<u>(2,437,000)</u>	<u>(2,392,000)</u>
Net assets		<u>63,757,342</u>	<u>62,398,067</u>	<u>63,786,459</u>	<u>62,569,195</u>
Income funds					
Restricted funds	24	1,318,440	1,259,825	1,318,440	1,259,825
<i>(including revaluation reserve of £238,208 (2013: £195,955))</i>					
Unrestricted funds:					
Designated funds	25	63,309,432	61,463,191	63,309,432	61,463,191
<i>(including revaluation reserve of £6,895,178 (2013: £5,448,767))</i>					
Other charitable funds					
Unrestricted income funds		1,566,470	2,067,051	1,595,587	2,238,179
Pension reserve	22	<u>(2,437,000)</u>	<u>(2,392,000)</u>	<u>(2,437,000)</u>	<u>(2,392,000)</u>
		<u>63,757,342</u>	<u>62,398,067</u>	<u>63,786,459</u>	<u>62,569,195</u>

The accounts were approved by the Board and authorised for issue on 20 February 2015


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 2014

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	27	178,522	(1,399,099)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets	-	(10,000)	
Payments to acquire tangible fixed assets	(158,587)	(359,804)	
Payments to acquire investments	(1,589,835)	(359,192)	
Receipts from sales of tangible fixed assets	495,434	22,397	
Receipts from sales of investments	3,277,120	320,802	
Net cash inflow/(outflow) from capital expenditure and financial investment		2,024,132	(385,797)
Net cash inflow/(outflow) before financing		2,202,654	(1,784,896)
Financing			
New long term bank loan	-	1,500,000	
Repayment of long term bank loan	(1,517,393)	(18,931)	
New hire purchase and finance leases	-	19,600	
Capital element of hire purchase and finance lease rentals	(113,590)	(15,241)	
Net cash (outflow)/inflow from financing		(1,630,983)	1,485,428
Increase/(decrease) in cash	28	571,671	(299,468)

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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.

All property, assets, rights and charitable undertakings of The Edward James Foundation (registered charity number 306372) were transferred to The Edward James Foundation Limited with effect from 1 October 2008. The Edward James Foundation then became a subsidiary charity of The Edward James Foundation Limited and was renumbered 1126084-1. Subsidiary charities are linked to a main charity by an arrangement called a uniting direction. Subsidiary charities do not report their financial results in their own right. The financial results of the subsidiary charity are included within those of the main charity.

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.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1 Accounting Policies

(continued)

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.

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.

** Leasehold property (Karoova Farms Limited only)

These assets were fully written down in 2012/13, since they would have no recoverable value on the cessation of the farming operation (see note 1.11). These assets were fully disposed of in 2013/14.

*** Plant and machinery and Motor Vehicles (Karoova Farms Limited only)

These assets were being written down on a straight line basis over 5 to 10 years. However, since 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, they were transferred from Fixed Assets to Current Assets in 2012/13. These assets were fully disposed of in 2013/14.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1 Accounting Policies

(continued)

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.

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 Alexander Barron ACA, the Foundation's Director of Finance and Enterprise.

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 2014, 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.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1 Accounting Policies

(continued)

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.

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 22. 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 is 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 means it is no longer appropriate to consider Karova Farms Limited a going concern and the following adjustments have been reflected in the financial statements in regard to that company's assets:

Tangible fixed assets (leasehold land and buildings) - these assets would have 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.

The principal activities of West Dean Limited continued to be the operation of the shop and restaurant located in West Dean Gardens, and the conference and event activities of West Dean College.

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.

In addition, there was a further dormant subsidiary, West Dean Construction Services Limited, which was excluded from consolidation and was struck off the Companies Register on 1 October 2013.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Donations and gifts	68,652	140,330	208,982	185,965
Legacies receivable	-	-	-	(5,523)
	<u>68,652</u>	<u>140,330</u>	<u>208,982</u>	<u>180,442</u>
Add donation to parent	2,484,683	-	2,484,683	(31,750)
Charity income	<u>2,553,335</u>	<u>140,330</u>	<u>2,693,665</u>	<u>212,192</u>

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	2014	2013
	£	£	£	£	£	£
Turnover	340,688	750,974	1,572,197	274,916	2,938,775	2,481,914
Operating expenses	(442,765)	(669,135)	(1,173,336)	(85,776)	(2,371,012)	(2,500,573)
Net surplus/(deficit) from trading	(102,077)	81,839	398,861	189,140	567,763	(18,659)
Profit on disposal of assets	-	-	147,630	-	147,630	-
Rent paid to parent	-	(17,004)	(171,669)	(115,635)	(304,308)	(233,379)
Gift aid paid to parent	-	(61,365)	(590,000)	(73,635)	(725,000)	(69,500)
	<u>(102,077)</u>	<u>3,470</u>	<u>(215,178)</u>	<u>(130)</u>	<u>(313,915)</u>	<u>(321,538)</u>

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

Karova Farms Limited	24,983	24,224
West Dean Limited	51,085	49,942
	<u>76,068</u>	<u>74,166</u>

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 £995 (2013 - £3,958), loan interest of £239 (2013 - £1,572) and hire purchase interest of £4,065 (2013 - £4,457).

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Income from West Dean Estate	1,237,415	-	1,237,415	1,122,252
Income from listed investments	1,101,678	59,153	1,160,831	1,105,562
Other finance income	79,000	-	79,000	13,000
Interest receivable	9,044	180	9,224	6,436
Total investment income	2,427,137	59,333	2,486,470	2,247,250
<i>Add rent from subsidiaries</i>	<i>304,308</i>	<i>-</i>	<i>304,308</i>	<i>233,379</i>
<i>Add gift aid from subsidiaries</i>	<i>725,000</i>	<i>-</i>	<i>725,000</i>	<i>69,500</i>
<i>Less subsidiaries investment income included in above</i>	<i>(9,318)</i>	<i>-</i>	<i>(9,318)</i>	<i>(37,260)</i>
<i>Charity income</i>	<i>3,447,127</i>	<i>59,333</i>	<i>3,506,460</i>	<i>2,512,869</i>

West Dean Estate income includes £1,122,408 (2013 - £1,010,319) in respect of rental income from land and buildings.

Rent from subsidiaries includes £189,639 (2013 - £128,204), received under annual licences and £114,669 (2013 - £105,175) under a 29 year lease, all in respect of land and buildings.

5 Incoming resources from charitable activities

	2014 £	2013 £
Continuing education courses	2,399,679	2,310,769
Diploma programmes	978,614	1,091,348
Tapestry studio	117,334	107,346
Training conferences and courses	139,584	141,967
	3,635,211	3,651,430

Included in Unrestricted funds are bursaries and scholarships for Continuing Education courses of £14,892 (2013 - £23,369) and for Diploma Programmes of £145,865 (2013 - £146,701) in both cases funded internally by the Foundation.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

6 Other incoming resources

Net gain on disposal of Karova Farms Limited assets	2014	2013
	£	£
Profit on disposal of plant and machinery	111,573	-
Profit on disposal of herd and flock	36,057	-
	147,630	-

Tragopan Corporation Limited share capital

On 26 July 2013, the Foundation acquired 100% of the share capital of Tragopan Corporation Limited ('Tragopan'), an investment holding company incorporated in the Cayman Islands. The fair value of the share capital at the date of acquisition was £10,231,459, reflecting the following assets:

	2014	2013
	£	£
Chattels	-	7,360,260
Financial investments	-	2,111,702
Debtors	-	606,731
Bank and cash balances	-	152,766
	-	10,231,459

On acquisition, the Foundation's Trustees determined to liquidate or transfer to the Foundation all of Tragopan's assets with a view to the entity being wound-up in due course.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

7 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2014 £	Total 2013 £
Costs of generating funds						
West Dean Estate	272,610	34,191	822,367	-	1,129,168	1,153,326
Trading costs	642,986	11,793	1,716,233	-	2,371,012	2,500,573
Investment management costs	7,800	-	15,748	-	23,548	31,418
Fundraising costs	42,504	-	6,517	-	49,021	118,868
Total	965,900	45,984	2,560,865	-	3,572,749	3,804,185
Charitable activities						
<u>Continuing education courses</u>						
Activities undertaken directly	1,047,712	59,996	1,116,101	-	2,223,809	2,086,516
Grant funding of activities	-	-	-	38,646	38,646	41,778
Support costs	366,639	14,882	173,187	-	554,708	487,613
Total	1,414,351	74,878	1,289,288	38,646	2,817,163	2,615,907
<u>Diploma programmes</u>						
Activities undertaken directly	1,155,508	54,581	621,835	-	1,831,924	1,673,980
Grant funding of activities	-	-	-	353,420	353,420	346,829
Support costs	270,765	18,195	135,389	-	424,349	414,424
Total	1,426,273	72,776	757,224	353,420	2,609,693	2,435,233
<u>Tapestry Studio</u>						
Activities undertaken directly	120,592	2,245	18,847	-	141,684	170,685
Support costs	18,569	1,607	11,728	-	31,904	43,990
Total	139,161	3,852	30,575	-	173,588	214,675
<u>Training conferences and courses</u>						
Activities undertaken directly	52,944	2,719	78,023	-	133,686	128,936
Support costs	48,610	1,311	27,002	-	76,923	53,295
Total	101,554	4,030	105,025	-	210,609	182,231
	3,081,339	155,536	2,182,112	392,066	5,811,053	5,448,046
Governance costs	30,814	-	89,759	-	120,573	187,492
Group	4,078,053	201,520	4,832,736	392,066	9,504,375	9,439,723
<i>Less subsidiaries costs</i>	<i>(370,942)</i>	<i>(4,719)</i>	<i>(1,577,936)</i>	<i>-</i>	<i>(1,953,597)</i>	<i>(2,087,961)</i>
<i>Charity</i>	<i>3,707,111</i>	<i>196,801</i>	<i>3,254,800</i>	<i>392,066</i>	<i>7,550,778</i>	<i>7,351,762</i>

Governance costs include amounts payable to the auditors in respect of audit fees of £22,568 (2013 - £26,270) and accountancy fees of £16,102 (2013 - £11,456).

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

8 Activities undertaken directly

	2014 £	2013 £
Other costs relating to continuing education courses comprise:		
Staff related costs	11,752	5,249
Visiting tutors	366,229	373,654
Premises costs	237,549	313,839
Insurance	41,253	51,770
Catering supplies	137,637	129,705
Irrecoverable VAT	73,969	87,538
Materials and course costs	181,777	172,011
Vehicle costs	28,971	7,020
Sundry costs	36,964	53,481
	1,116,101	1,194,267
Other costs relating to diploma programmes comprise:		
Staff related costs	12,549	7,571
Visiting lecturers	65,262	38,955
Premises costs	153,693	213,564
Insurance	38,401	41,496
Catering supplies	97,787	93,759
Irrecoverable VAT	45,663	50,024
Materials and course costs	104,567	119,259
Vehicle costs	13,292	2,732
Library costs	15,508	9,780
Bad debts	227	(275)
Sundry costs	74,886	66,340
	621,835	643,205
Other costs relating to tapestry studio comprise:		
Staff related costs	2,117	4,173
Premises costs	401	907
Materials	2,374	1,323
Exhibition costs	275	7,057
Sundry costs	13,680	11,128
	18,847	24,588

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

8 Activities undertaken directly

(continued)

	2014 £	2013 £
Other costs relating to training conferences and courses comprise:		
Staff related costs	420	126
Visiting tutors	51,198	49,275
Premises costs	10,339	14,793
Insurance	1,974	2,813
Catering supplies	5,422	5,501
Irrecoverable VAT	842	1,071
Materials and course costs	4,911	3,849
Sundry costs	2,917	3,020
	78,023	80,448

9 Grants payable

	2014 £	2013 £
Continuing education courses	38,646	41,778
Diploma programmes	353,420	346,829
	392,066	388,607

Grants to individuals include bursaries and scholarships of £160,757 (2013 - £170,070) funded internally by the Foundation, together with bursaries and scholarships of £231,309 (2013 - £218,537) paid from the West Dean Scholarship Fund.

10 Support costs

	Continuing education courses £	Diploma programmes £	Tapestry Studio £	Training conferences and courses £	Total 2014 £	Total 2013 £
Marketing costs	69,262	27,113	767	16,354	113,496	112,764
Office and staff related	41,172	44,768	4,582	3,657	94,179	97,874
Staff costs	366,639	270,765	18,569	48,610	704,583	625,795
Depreciation	14,882	18,195	1,607	1,311	35,995	31,112
Other costs	62,753	63,508	6,379	6,991	139,631	131,777
	554,708	424,349	31,904	76,923	1,087,884	999,322

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

11 Governance costs

	2014 £	2013 £
Other governance costs comprise:		
Trustee related expenses	-	2,090
Trustees insurance	1,860	1,863
Accountancy	16,102	11,456
Audit fees	22,568	26,270
Legal and professional fees	49,229	116,773
	89,759	158,452
<i>Less subsidiaries costs</i>	<i>(15,325)</i>	<i>(23,950)</i>
Charity	74,434	134,502

Legal and professional fees comprise governance costs associated with the acquisition of 100% of the share capital of Tragopan Corporation Limited (see note 6), 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 £nil (2013 - £1,220) relating to travel and subsistence were either reimbursed to, or paid directly on behalf of, four Trustees.

During the year, £1,860 (2013 - £1,863) was paid in respect of insurance to:

- a) protect the charity from loss arising from the neglect or defaults of its Trustees;
- b) 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 2014

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Direct charity staff	160	167
Other staff	32	41
	<u>192</u>	<u>208</u>

The average monthly number of full time equivalent staff was 137 (2013 - 142).

Employment costs

	2014 £	2013 £
Wages and salaries	3,581,967	3,396,940
Social security costs	284,191	285,733
Other pension costs	211,895	308,772
	<u>4,078,053</u>	<u>3,991,445</u>

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

	2014 Number	2013 Number
£100,000 to £109,999	1	1
£70,000 to £79,999	1	1

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

14 Gains/(losses) on investment assets

	Total 2014 £	Total 2013 £
Unrealised gain/(loss) on revaluation of investments:		
Unrestricted funds	-	(84,242)
Restricted funds	57,067	107,763
Designated funds	1,809,389	1,335,277
	<u>1,866,456</u>	<u>1,358,798</u>
Realised gain/(loss) on disposal of investments:		
Restricted funds	(1,717)	-
Designated funds	(27,500)	(35,194)
Unrestricted funds	(14,657)	7,358
	<u>1,822,582</u>	<u>1,330,962</u>
Group		
	<u>1,822,582</u>	<u>1,330,962</u>
Loss on investments in subsidiaries	(2,869,221)	-
Subsidiaries (gain)/loss on disposal of investments	14,657	76,880
	<u>(1,031,982)</u>	<u>1,407,842</u>
Charity		
	<u>(1,031,982)</u>	<u>1,407,842</u>

15 Intangible fixed assets - Group & Charity

	Charity Design rights £	Subsidiary Milk quota £	Group Total £
Cost			
At 1 October 2013	10,000	83,700	93,700
Disposals	-	(83,700)	(83,700)
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
At 30 September 2014			
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Amortisation			
At 1 October 2013	-	83,700	83,700
On disposals	-	(83,700)	(83,700)
Charge for year	2,000	-	2,000
	<u>2,000</u>	<u>-</u>	<u>2,000</u>
At 30 September 2014			
	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net book value			
At 30 September 2014	<u>8,000</u>	<u>-</u>	<u>8,000</u>
At 30 September 2013	<u>10,000</u>	<u>-</u>	<u>10,000</u>

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

16 Tangible fixed assets - Group

	Freehold land and buildings £	Chattels £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 October 2013	7,473,997	16,472,534	1,495,747	498,321	179,640	26,120,239
Additions	-	-	149,849	1,950	6,788	158,587
Disposals	(138,660)	-	(17,881)	-	(1,055)	(157,596)
At 30 September 2014	7,335,337	16,472,534	1,627,715	500,271	185,373	26,121,230
Depreciation						
At 1 October 2013	141,481	-	758,545	354,625	117,671	1,372,322
On disposals	(138,660)	-	(9,635)	-	(1,055)	(149,350)
Charge for the year	552	-	149,219	22,953	28,896	201,620
At 30 September 2014	3,373	-	898,129	377,578	145,512	1,424,592
Net book value						
At 30 September 2014	7,331,964	16,472,534	729,586	122,693	39,861	24,696,638
At 30 September 2013	7,332,516	16,472,534	737,202	143,696	61,969	24,747,917

Tangible fixed assets - Charity

	Freehold land and buildings £	Chattels £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 October 2013	7,335,337	9,112,274	1,422,858	498,321	179,640	18,548,430
Additions	-	-	143,208	1,950	6,788	151,946
Disposals	-	-	(11,282)	-	(1,055)	(12,337)
At 30 September 2014	7,335,337	9,112,274	1,554,784	500,271	185,373	18,688,039
Depreciation						
At 1 October 2013	2,821	-	724,422	354,625	117,671	1,199,539
On disposals	-	-	(7,160)	-	(1,055)	(8,215)
Charge for the year	552	-	142,400	22,953	28,896	194,801
At 30 September 2014	3,373	-	859,662	377,578	145,512	1,386,125
Net book value						
At 30 September 2014	7,331,964	9,112,274	695,122	122,693	39,861	17,301,914
At 30 September 2013	7,332,516	9,112,274	698,436	143,696	61,969	17,348,891

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

17 Fixed asset investments - Group

	West Dean Estate	Quoted investments Main fund	Quoted investments Scholarship fund	Shares in subsidiaries	Quoted investments Tragopan fund	Total
	£	£	£	£	£	£
Market value at 1 October 2013	16,020,181	19,602,698	2,786,838	-	1,964,020	40,373,737
Disposals at book value	-	(1,162,554)	(194,420)	-	(1,964,020)	(3,320,994)
Acquisitions at cost	262,135	1,137,500	190,200	-	-	1,589,835
Change in value in the year	727,935	998,493	140,028	-	-	1,866,456
Market value at 30 September 2014	17,010,251	20,576,137	2,922,646	-	-	40,509,034
Historical cost:						
At 30 September 2014	15,591,155	16,619,635	2,362,032	-	-	34,572,822
At 30 September 2013	15,329,020	16,526,362	2,350,287	-	2,048,258	36,253,927

Fixed asset investments - Charity

	West Dean Estate	Quoted investments Main fund	Quoted investments Scholarship fund	Shares in subsidiaries	Quoted investments Tragopan fund	Total
	£	£	£	£	£	£
Market value at 1 October 2013	16,020,181	19,602,698	2,786,838	10,559,798	-	48,969,515
Disposals at book value	-	(1,162,554)	(194,420)	-	-	(1,356,974)
Acquisitions at cost	262,135	1,137,500	190,200	-	-	1,589,835
Change in value in the year	727,935	998,493	140,028	(2,869,221)	-	(1,002,765)
Market value at 30 September 2014	17,010,251	20,576,137	2,922,646	7,690,577	-	48,199,611
Historical cost:						
At 30 September 2014	15,591,155	16,619,635	2,362,032	10,559,798	-	45,132,620
At 30 September 2013	15,329,020	16,526,362	2,350,287	10,559,798	-	44,765,467

The West Dean Estate is held as part of the group's charitable activities. The valuation was undertaken by Alexander Barron ACA, the Foundation's Director of Finance and Enterprise. The valuation was based upon the present value of future net rental income streams.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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:

- Charibond - £nil (2013 - £1,356,974)

(a Common Investment fund managed by M & G Securities Limited)

- Charifund - £14,422,032 (2013 - £13,721,512)

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

- COIF - £732,630 (2013 - £660,867)

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

- Newton Global Higher Income - £5,934,715 (2013 - £5,695,494)

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

- Mayfair PITCH - £2,409,406 (2013 - £954,689)

(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	%
Subsidiary undertakings			
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	44,441	(215,178)
West Dean Limited	Gardens shop & restaurant, and conference & event management	13,856	3,340
Tragopan Corporation Limited	Investment holding	7,603,163	(2,515,372)

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 2014

18 Debtors	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,053,945	321,512	315,403	269,874
Income tax recoverable	42,180	72,523	42,180	72,523
Amounts owed by group undertakings	-	-	1,228,628	318,035
Other debtors	147,723	221,866	37,581	11,767
Recoverable amount of vehicles, plant & machinery	-	337,458	-	-
Prepayments and accrued income	528,985	457,466	328,571	262,209
	1,772,833	1,410,825	1,952,363	934,408

The Karova Farms Limited accounts have been prepared on a non-going concern basis in both 2012/13 and 2013/14 and therefore all plant and machinery assets held by Karova Farms Limited are shown at the estimated recoverable amount. These assets were fully disposed of in 2013/14.

The recoverable amount of vehicles, plant and machinery includes £nil (2013 - £170,884) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £nil (2013 - £51,817) for the year.

Amounts owed by group undertakings includes a loan of £384,683 due from Karova Farms Limited to The Edward James Foundation Limited. This loan was originally made by Tragopan Corporation Limited ("Tragopan"), but was assigned to The Edward James Foundation Limited in September 2014 subsequent to Tragopan becoming part of the Group. The loan is interest free, unsecured and repayable on demand. The loan will be settled in 2014/15 following the liquidation of assets as part of the cessation of farming by Karova Farms Limited.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

19 Creditors: amounts falling due within one year	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	-	43,857	-	31,651
Bank overdraft	-	217,293	-	-
Net obligations under finance lease and hire purchase contracts	1,237	63,686	-	-
Trade creditors	523,811	516,539	467,832	415,712
Taxes and social security costs	257,090	140,423	252,667	132,423
Other creditors	175,972	190,817	173,860	186,214
Accruals	724,692	243,517	457,406	142,696
Deferred income	1,160,443	1,028,144	1,160,443	1,028,144
	<u>2,843,245</u>	<u>2,444,276</u>	<u>2,512,208</u>	<u>1,936,840</u>

Creditors due within one year include amounts due in relation to hire purchase and finance leases, which are secured on the assets acquired.

Until repaid during 2013/14, the bank overdraft and bank loan were secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of Karova Farms Limited.

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

20 Creditors: amounts falling due after more than one year

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Bank loan	-	1,473,536	-	1,473,536
Net obligations under finance leases and hire purchase contracts	-	51,141	-	-
	-	1,524,677	-	1,473,536
Analysis of loans				
Wholly repayable within five years	-	1,517,393	-	1,505,187
Included in current liabilities	-	(43,857)	-	(31,651)
	-	1,473,536	-	1,473,536
Loan maturity analysis				
Debt due in one year or less	-	43,857	-	48,357
In more than two but not more than five years	-	1,473,536	-	1,473,536
	-	1,517,393	-	1,517,393

The Edward James Foundation Limited bank loan was unsecured. Until settled in 2013/14, the Karova Farms Limited bank loan was secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of Karova Farms Limited. Interest payable was fixed at 6.5%.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	1,237	66,185	-	-
Repayable between one and five years	-	52,652	-	-
	1,237	118,837	-	-
Finance charges and interest allocated to future accounting periods	-	(4,010)	-	-
	1,237	114,827	-	-
Included in liabilities falling due within one year	(1,237)	(63,686)	-	-
	-	51,141	-	-

Amounts due in relation to hire purchase and finance leases are secured on the assets acquired.

21 Provisions for liabilities

Full disclosure in respect of the pension scheme is given in note 22, 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 2014

22 Pension costs - The Pensions Trust - Edward James Foundation Pension Scheme

Composition of the Scheme

The Employer operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 30 September 2012 and updated to 30 September 2014 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

Over the 12 months to 30 September 2014 the Employer paid deficit contributions at the rate of £261,000 per annum (payable in equal monthly instalments). These deficit contributions increase by 3.9% each October until 31 December 2025; from 1 October 2014 the annual contribution will be £271,179. 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)

	2014 £000	2013 £000	2012 £000
Fair value of scheme assets	11,570	10,638	9,678
Present value of scheme liabilities	14,007	13,030	12,874
Surplus (deficit) in scheme	(2,437)	(2,392)	(3,196)
Asset (liability) to be recognised	(2,437)	(2,392)	(3,196)

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

	2014 £000	2013 £000
Scheme liabilities at start of period	13,030	12,874
Expenses	72	72
Interest cost	589	544
Actuarial losses (gains)	832	54
Benefits paid, death in service insurance premiums & expenses	(516)	(514)
Scheme liabilities at end of period	14,007	13,030

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

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

	2014	2013
	£000	£000
Fair value of scheme assets at start of period	10,638	9,678
Expected return on scheme assets	668	557
Actuarial gains (losses)	456	741
Contributions by employer	324	176
Benefits paid, death in service insurance premiums & expenses	(516)	(514)
Fair value of scheme assets at end of period	11,570	10,638

The actual return on the scheme assets over the period ending 30 September 2014 was £1,124,000.

Total expense recognised in statement of financial activities

	2014	2013
	£000	£000
Expenses	72	72
Interest cost	589	544
Expected return on scheme assets	(668)	(557)
Total	(7)	59

Statement of total recognised gains and losses

	2014	2013
	£000	£000
Difference between expected and actual return on scheme assets: Amount: gain (loss)	456	741
Experience gains and losses arising on the scheme liabilities: Amount: gain (loss)	145	361
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: gain (loss)	(977)	(415)
Total amount recognised in statement of total recognised gains and losses: Amount: gain (loss)	(376)	687

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is (£3,818,000) (a loss).

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

Assets

	2014 £000	2013 £000	2012 £000
Equities	7,287	6,950	6,299
Property	877	774	728
Bonds	3,359	2,943	2,633
Other	47	(29)	18
Total assets	11,570	10,638	9,678

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

	2014 (per annum)	2013 (per annum)	2012 (per annum)
Rate of discount	3.80%	4.60%	4.30%
Inflation (RPI)	3.20%	3.30%	2.70%
Inflation (CPI)	2.20%	2.40%	1.90%
Salary increases *	4.20%	4.30%	3.70%
Allowance for revaluation of deferred pensions of RPI or 5.0% p.a. if less	3.20%	3.30%	2.70%
Allowance for pension in payment increases of CPI or 5.0% p.a. if less	2.20%	2.40%	1.90%
Allowance for pension in payment increases of CPI or 3.0% p.a. if less	2.00%	2.20%	1.80%
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	1.80%	2.00%	1.60%
Allowance for commutation of pension for cash at retirement	Allowance	Allowance	Allowance

* Note that 27 members agreed to have their pensionable earnings increases capped at RPI. Therefore for these members we have assumed salary growth of 3.2% per annum.

The mortality assumptions adopted at 30 September 2014 imply the following life expectancies:

	years
Male retiring at age 65 in 2014	22.8
Female retiring at age 65 in 2014	24.8
Male retiring at age 65 in 2034	24.6
Female retiring at age 65 in 2034	26.3

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

22 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

	2014 (per annum)	2013 (per annum)
Growth Type	7.60%	6.90%
Property	6.40%	5.90%
Bonds	3.74%	3.37%
Other	0.50%	0.50%
Overall for scheme	6.33%	5.85%

Amounts for the current and previous four years

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Fair value of scheme assets	11,570	10,638	9,678	9,016	9,414
Present value of scheme liabilities	14,007	13,030	12,874	12,009	13,126
Surplus (deficit) in scheme	(2,437)	(2,392)	(3,196)	(2,993)	(3,712)
Experience adjustment on scheme assets	456	741	296	(637)	199
Experience adjustment on scheme liabilities	145	361	137	124	474

The best estimate of contributions to be paid by the Employer to the scheme for the period commencing 1 October 2014 is £336,579.

23 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 £111,663 (2013: £129,511). 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 £5,025 (2013: n/a). 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 2014

24 Restricted funds

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

	Balance at 1 October 2013	Incoming resources	Group and Charity Movement in funds Resources expended	Transfers	Investment gain/(loss)	Balance at 30 September 2014
	£	£	£	£	£	£
West Dean Scholarship Fund	1,205,348	172,757	(140,492)	-	55,350	1,292,963
Other restricted funds	54,477	26,906	(94)	(55,812)	-	25,477
	<u>1,259,825</u>	<u>199,663</u>	<u>(140,586)</u>	<u>(55,812)</u>	<u>55,350</u>	<u>1,318,440</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 2014

25 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:

	Balance at 1 October 2013	Incoming resources	Group and Charity Movement in funds Resources expended	Transfers	Investment gain/(loss)	Balance at 30 September 2014
	£	£	£	£	£	£
Freehold property (charitable use)	7,292,516	-	(552)	40,000	-	7,331,964
Chattels (charitable use)	16,472,534	-	-	-	-	16,472,534
Investment property & subsidiaries	16,344,787	265,871	-	-	487,008	17,097,666
Quoted investments	19,602,698	1,137,500	(1,162,554)	-	998,493	20,576,137
West Dean Scholarship Fund	1,750,656	112,200	(114,686)	-	82,961	1,831,131
	<u>61,463,191</u>	<u>1,515,571</u>	<u>(1,277,792)</u>	<u>40,000</u>	<u>1,568,462</u>	<u>63,309,432</u>

Freehold property (charitable use):

The fund represents those freehold properties which are essential for the provision of the Foundation's charitable activities. The transfer during the year represents income released from restricted funds for which the terms of the original restriction are now satisfied.

Chattels (charitable use):

The fund represents the artworks which are considered essential to the provision of the Foundation's charitable activities.

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 2014

25 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.

26 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 September 2014 are represented by:			
Intangible fixed assets	8,000	-	8,000
Tangible fixed assets	24,696,638	-	24,696,638
Investments	39,316,726	1,192,308	40,509,034
Current assets	3,646,708	177,207	3,823,915
Creditors: amounts falling due within one year	(2,792,170)	(51,075)	(2,843,245)
Defined benefit pension liability	(2,437,000)	-	(2,437,000)
Group reserves	62,438,902	1,318,440	63,757,342
<i>Subsidiaries reserves</i>	<i>29,117</i>	<i>-</i>	<i>29,117</i>
<i>Charity reserves</i>	<i>62,468,019</i>	<i>1,318,440</i>	<i>63,786,459</i>
Unrealised gains included above:			
On investments	6,895,178	238,208	7,133,386
	<u>6,895,178</u>	<u>238,208</u>	<u>7,133,386</u>
Reconciliation of movements in unrealised gains:			
Unrealised gains at 1 October 2013	5,448,767	195,955	5,644,722
In respect of disposals in year	(127,425)	(6,867)	(134,292)
	<u>5,321,342</u>	<u>189,088</u>	<u>5,510,430</u>
Net gains on revaluations in year	1,573,836	49,120	1,622,956
	<u>1,573,836</u>	<u>49,120</u>	<u>1,622,956</u>
Unrealised gains at 30 September 2014	<u>6,895,178</u>	<u>238,208</u>	<u>7,133,386</u>

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

27 Net cash (outflow)/inflow from operating activities	2014	2013
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(87,307)	9,352,772
Fair value of net non cash acquisition (note 6)	-	(10,078,693)
Depreciation of tangible fixed assets	201,620	450,864
Amortisation of intangible fixed assets	2,000	16,740
Profit on disposal of tangible fixed assets	(149,730)	(22,397)
Difference between pension charge and cash contributions	(331,000)	(117,000)
Decrease/(increase) in stocks	519,837	(27,464)
Increase in debtors	(699,466)	(17,217)
Increase/(decrease) in creditors	722,568	(956,704)
	<u>178,522</u>	<u>(1,399,099)</u>
28 Reconciliation of net cash flow to movement in net funds/(debt)	2014	2013
	£	£
Increase/(decrease) in cash	571,671	(299,468)
New long term bank loan	-	(1,500,000)
Reclassification of other loan	-	384,683
Repayment of long term bank loan	1,517,393	18,931
Capital element of hire purchase and finance lease rentals	113,590	(4,359)
Movement in net funds/(debt)	2,202,654	(1,400,213)
Net funds/(debt) at 1 October 2013	(914,271)	485,942
Net funds/(debt) at 30 September 2014	<u>1,288,383</u>	<u>(914,271)</u>

THE EDWARD JAMES FOUNDATION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

29 Analysis of net cash less debt/(debt)

	At 1 October 2013	Cash flow	Non-cash changes	At 30 September 2014
	£	£	£	£
Cash at bank and in hand	935,242	354,378	-	1,289,620
Bank overdrafts	(217,293)	217,293	-	-
		571,671		
Debt due within one year	(43,857)	1,517,393	(1,473,536)	-
Debt due after one year	(1,473,536)	-	1,473,536	-
Hire purchase and finance leases	(114,827)	113,590	-	(1,237)
		1,630,983		
	(914,271)	2,202,654	-	1,288,383