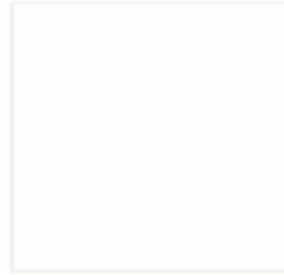
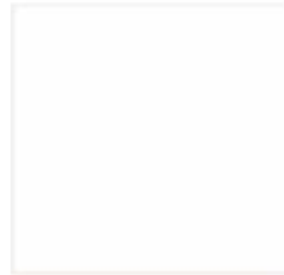
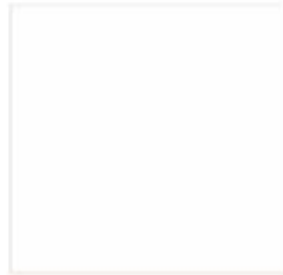
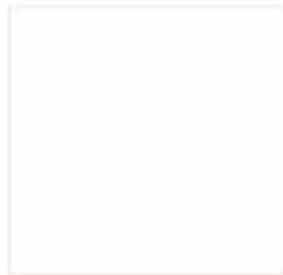
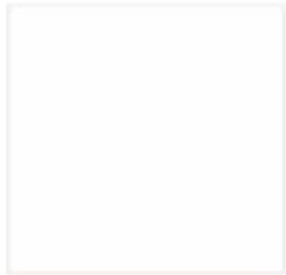


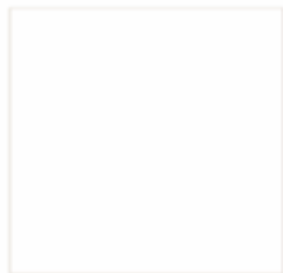
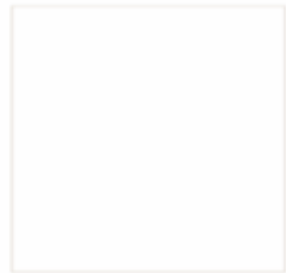
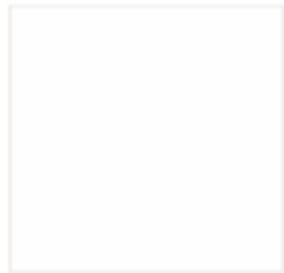


## Best practice in education



## Maximising your assets

Barney Northover / Doug Locke





## Maximising your assets

- **Additional income stream**
- **Increase demand for school places**
- **Deliver public benefit**



## Financial pressures

- **Declining affordability**
- **Public benefit**



**Public benefit**

**“It’s the bursaries, stupid”**

**5% of annual gross fee income?**



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## Public Benefit Strategy

- **Draft Public Benefit Report**
- **Public Benefit Policy**
- **Bursary Policy**



## Public Benefit Strategy

### Public Benefit Policy should include:

- **Current circumstances**
- **Commercial realities and financial position**
- **Long term plans**
- **Bursary scheme – means tested bursaries up to 100%**
- **Other public benefit activities**
- **Funding public benefit**



## Stark choices

- **Increase class sizes**
- **Increase fees**
- **Cut spending**
- **Put off capital expenditure**



## Maximising assets – Synergies

- **Marketing**
- **Fundraising**
- **Trading**



## Maximising assets - Synergies

- **Promote the school to prospective parents**
- **Raise the school's profile in the local community**
- **Maximise income**
- **Contribute directly towards your public benefit**

**CV**



## Focus on fundraising – traps to avoid

- **Restricted funds**
- **Settle relationship between foundation and the school**
- **Charity law issues as to control**
- **Rights of appointment / manage conflicts**
- **Commercial agreement**



## Trading

- **Financial pressures**
- **Average turnover from trading?**
- **Income of £135 per £100 of cost**
- **Fundraising is more “efficient”**
- **So why trade?**



## Why trade?

- **Best to do both**
- **The impact of general economic conditions**
- **The impact of repetition**
- **Junior schools**
- **The impact on marketing**



## Types of trading

- **Holiday lets: ?%**
- **Shop: ?%**
- **Sports: ?%**
- **Other: ?%**



## Types of trading

- **Holiday lets: 39%**
- **Shop: 20%**
- **Sports: 16%**
- **Other: 25%**



## What do you do?

- **Examples of trading activities:**
  - ▶ **Summer schools**
  - ▶ **Shops (including online shops)**
  - ▶ **Gyms**
  - ▶ **Swimming pools**
  - ▶ **Hire of facilities to sports clubs**
  - ▶ **Sports camps**
  - ▶ **Golf courses**
  - ▶ **Weddings**
  - ▶ **Concerts**



## What else do you do?

- **More examples of trading activities:**
  - ▶ **Conferences**
  - ▶ **Theatre hire**
  - ▶ **Holiday activity courses**
  - ▶ **Language schools**
  - ▶ **Revision courses**
  - ▶ **Children's parties**
  - ▶ **Licensing of overseas schools Consultancy services to neighbouring schools**
  - ▶ **English language and football**
  - ▶ **Ships**



## Planning

- **Consider trading opportunities at the outset of a project.**
- **Is it the right project?**
- **Appropriate personnel**



## Use of a trading company

- Essential where over £50k annual turnover
- Protects the school from liabilities arising from trading
  - Most trading involves a risk that something might go wrong
  - Not all liabilities can be excluded by contract
  - If something does go wrong, a trading company has limited liability
  - Where non primary purpose trading involves significant risk to a charity's assets, it must be undertaken by a trading company
  - Ultimately, governors may be personally liable



## Use of a trading company

- **Need for an arm's length commercial relationship:**
  - **Written master agreement**
  - **No coincidence of governors and directors**
  - **Written loan on commercial terms**
- **Surplus is gift aided to the school**



## International projects

### Sustainable income

- ▶ Initial lump sum
  - ▶ Licence fees
  - ▶ Training fees
  - ▶ Expenses
- Cultural and sporting links
  - Raise international profile
  - Development of education for under-privileged children



## International projects

- **Risks:**
  - **Damage to reputation**
  - **Management time**
  - **Parental opposition**
- **Register trade marks**
- **Who are you dealing with?**
- **All parties clear as to aims?**
- **Confidentiality**
- **Detailed written agreement**



## International projects

- **Written agreement:**
  - **Define roles**
  - **Control over management team**
  - **Payments**
  - **Replication of ethos**
    - **Religion**
    - **Corporal punishment**
  - **Termination**

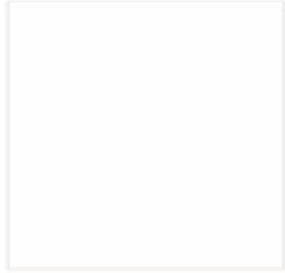
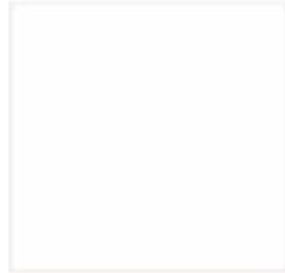
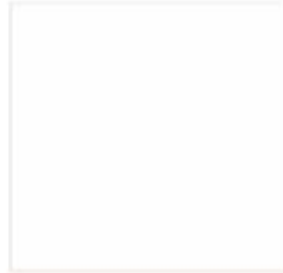
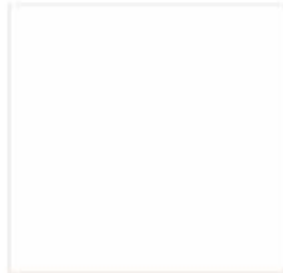
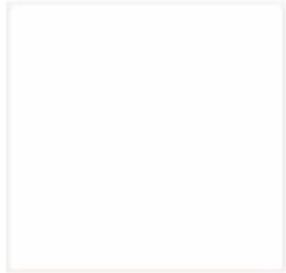


## Maximising your assets

- **Financial pressure**
- **Opportunities**

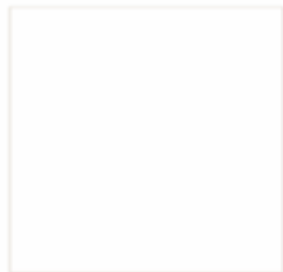
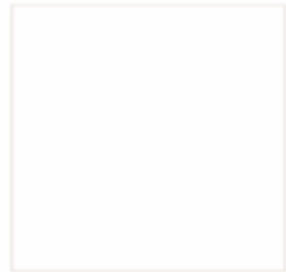
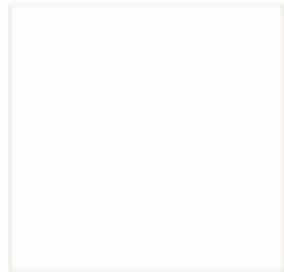


**Best practice in education**



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