

Charity registration number 1068650

THE BIRKENHEAD SCHOOL FOUNDATION TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M R Feeny LLB (Chair to 13 November 2023) Mr H E R FitzHerbert BA (Hons) PGCE Mr Edward Rice FRICS Mrs Kirsten Pankhurst Mr P R Vicars MA Mr A J Cross LLB (Hons) Mr M R Cashin MA Mr N P Turner (Chair from 13 November 2023) (Appointed 7 November 2022)
Charity number	1068650
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP
Bankers	National Westminster Bank Plc 2 Grange Road West Birkenhead Wirral Merseyside CH41 4DF
Solicitors	DWF LLP 5 St Paul's Square Old Hall Street Liverpool Merseyside L3 9AE
Investment advisors	Rathbone Investment Management Port of Liverpool Pier Head Liverpool Merseyside L3 1NW

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

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THE BIRKENHEAD SCHOOL FOUNDATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Trust's stated objects are;

'To assist and support Birkenhead School to further its charitable objects'

(The above is extracted from the Declaration of Trust).

It is currently envisaged that the Trust will assist the School in various ways:

By giving money to the School for the provision of bursaries

By providing money to the School for capital and special projects; such money to be as a gift or loan.

Money for bursaries comes from the Trust's income; money for capital or special projects may be from income or from the Trust's capital.

The Trust seeks to increase its income and capital over time, so that it can provide increased levels of support to the School.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Trust has continued its aims of supporting the School throughout the year, and has granted a further £267,790 (2022 £180,000) to facilitate the provision of school bursaries, fundraising activities and other necessary expenditure. This is in addition to restricted donations of £46,462 (2022 - £35,840).

The trustees consider the value of the investment property remains unchanged at £330,000, however an extension to the building was completed shortly before the year end, with an agreement to lease at an increased rent to be finalised in the following months at which point a revaluation of the property will be both possible and appropriate.

Financial review

The Trust had income during the year of £1,968,811 (2022 £447,018) and expenditure of £374,405 (2022 £279,264) which together with loss on investments of £171,746 (2022 £728,572) left £1,422,660 to be added to the reserves brought forward of £5,812,446 leaving funds available to be carried forward of £7,235,106. Unrestricted free reserves of the Trust amounted to £6,587,318.

Investment income from its reserves is used to provide fee assistance to pupils and thereby to widen access to the School. More fee assistance is provided by the School than can be funded by the income of the Foundation Trust and it is therefore the policy of the Trustees to seek to increase the capital held by the Trust.

The Trustees have a reasonable expectation that the Trust has adequate resources to continue to fulfil its aims for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Trustees have an investment policy which aims to secure a balance of income and capital growth. Professional investment managers are employed.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trust aims to increase its level of income, both through encouraging donations and from sound management of its capital. It will respond, on request, to the strategic development needs of the School, considering how it can best support the School's charitable objectives.

After a fairly lengthy lease extension on the retail property owned in Nantwich, the building extension project in conjunction with the tenant (Specsavers) is now complete with a finalized lease being drawn up as a result. Trustees will then reconsider the position of this tangible (but illiquid) property asset within their portfolio.

Structure, governance and management

The Birkenhead School Foundation Trust (the Trust) is a registered charity (charity no. 1068650). It is under the effective control of Birkenhead School (the School), a company limited by guarantee (company no. 4492250) and a registered charity (charity no. 1093419).

Trustees, who are appointed by the governors of the School are as listed. They are drawn from current or former governors of the School, senior executives of the School and a representative of the Old Birkenian Society.

Trustees delegate the day to day running of the Trust's business to their Secretary, who is the Bursar of the School.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs L A C Dodd BA (Hons) Chartered FCSI (Resigned 7 November 2022)

Mr M R Feeny LLB (Chair to 13 November 2023)

Mr H E R FitzHerbert BA (Hons) PGCE

Dr J K Moore OBE FRCA MBA (Resigned 7 November 2022)

Mr Edward Rice FRICS

Mrs Kirsten Pankhurst

Mr P R Vicars MA

Mr A J Cross LLB (Hons)

Mr M R Cashin MA

Mr N P Turner (Chair from 13 November 2023) (Appointed 7 November 2022)

Trustees are conscious of the need to keep within its number a wide range of skills and experience. New Trustees are offered training on appointment and training for all Trustees is arranged from time to time.

The trustees' report was approved by the Board of Trustees.



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Mr N P Turner (Chair from 13 November 2023)

Trustee

Dated: 05/03/24

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BIRKENHEAD SCHOOL FOUNDATION TRUST

Opinion

We have audited the financial statements of The Birkenhead School Foundation Trust (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE BIRKENHEAD SCHOOL FOUNDATION TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE BIRKENHEAD SCHOOL FOUNDATION TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, data protection & anti-bribery.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE BIRKENHEAD SCHOOL FOUNDATION TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinnadin Audit Limited

9.5.24

Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	1,681,463	46,756	1,728,219	194,305	68,161	262,466
Other trading activities	4	2,144	15,539	17,683	1,941	25,495	27,436
Investments	5	219,118	3,791	222,909	154,913	2,203	157,116
Total income		1,902,725	66,086	1,968,811	351,159	95,859	447,018
Expenditure on:							
Raising funds	6	39,789	-	39,789	37,594	-	37,594
Charitable activities	8	203,705	130,911	334,616	185,920	55,750	241,670
Total expenditure		243,494	130,911	374,405	223,514	55,750	279,264
Net losses on investments	12	(171,746)	-	(171,746)	(728,572)	-	(728,572)
Net income/(expenditure)		1,487,485	(64,825)	1,422,660	(600,927)	40,109	(560,818)
Transfers between funds		(67,790)	67,790	-	-	-	-
Net movement in funds		1,419,695	2,965	1,422,660	(600,927)	40,109	(560,818)
Reconciliation of funds:							
Fund balances at 1 September 2022		5,676,405	136,041	5,812,446	6,277,332	95,932	6,373,264
Fund balances at 31 August 2023		7,096,100	139,006	7,235,106	5,676,405	136,041	5,812,446

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		45,940		48,968
Investment property	15		462,842		455,154
Investments	16		6,554,560		5,272,828
			<u>7,063,342</u>		<u>5,776,950</u>
Current assets					
Debtors	17	25,478		14,400	
Cash at bank and in hand		210,826		198,739	
		<u>236,304</u>		<u>213,139</u>	
Creditors: amounts falling due within one year	18				
		<u>64,540</u>		<u>177,643</u>	
Net current assets			<u>171,764</u>		<u>35,496</u>
Total assets less current liabilities			<u><u>7,235,106</u></u>		<u><u>5,812,446</u></u>
The funds of the charity					
Restricted income funds	19		139,006		136,041
Unrestricted funds			7,096,100		5,676,405
			<u><u>7,235,106</u></u>		<u><u>5,812,446</u></u>

The financial statements were approved by the trustees on 05th March, 2024



Mr N P Turner (Chair from 13 November 2023)
Trustee

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		1,250,344		11,287
Investing activities					
Purchase of investment property		(7,688)		(115,046)	
Purchase of other investments		(2,419,517)		(701,922)	
Proceeds on disposal of other investments		966,039		635,689	
Investment income received		222,909		157,116	
Net cash used in investing activities			(1,238,257)		(24,163)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			12,087		(12,876)
Cash and cash equivalents at beginning of year			198,739		211,615
Cash and cash equivalents at end of year			210,826		198,739

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

The Birkenhead School Foundation Trust is an unincorporated charity established under a trust dated 23 January 1998 with deeds of variation dated 26 November 2001 and 28 October 2002.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Support costs are those that assist the work of the charity but are not directly attributable to the charitable activities. Support costs include office costs, administrative payroll costs and governance costs which support the charity's activities. Where the support costs cannot be attributable to a direct activity they have been allocated to the costs of raising funds and charitable activities on a pro-rata basis.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	4% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	1,667,463	46,756	1,714,219	194,305	68,161	262,466
Legacies receivable	14,000	-	14,000	-	-	-
	<u>1,681,463</u>	<u>46,756</u>	<u>1,728,219</u>	<u>194,305</u>	<u>68,161</u>	<u>262,466</u>

4 Other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from energy created	2,144	-	2,144	1,941	-	1,941
Fundraising events	-	15,539	15,539	-	25,495	25,495
Other trading activities	<u>2,144</u>	<u>15,539</u>	<u>17,683</u>	<u>1,941</u>	<u>25,495</u>	<u>27,436</u>

5 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Rental income	44,502	-	44,502	27,500	-	27,500
Income from listed investments	174,616	3,791	178,407	127,358	2,203	129,561
Interest receivable	-	-	-	55	-	55
	<u>219,118</u>	<u>3,791</u>	<u>222,909</u>	<u>154,913</u>	<u>2,203</u>	<u>157,116</u>

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Trading costs</u>		
Depreciation and impairment	3,028	3,028
<u>Investment management</u>	36,761	34,566
	39,789	37,594

7 Charitable activities

	Grants payable 2023	Grants payable 2022
	£	£
Charitable donations	16,659	19,910
Grant funding of activities (see note 8)	314,252	215,840
Share of support costs (see note 9)	205	260
Share of governance costs (see note 9)	3,500	5,660
	334,616	241,670
Analysis by fund		
Unrestricted funds	203,705	185,920
Restricted funds	130,911	55,750
	334,616	241,670

8 Grants payable

	2023	2022
	£	£
Grants to institutions: Birkenhead School	314,252	215,840

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Support costs allocated to activities

	Grants payable 2023 £	Total 2022 £
Sundries	205	260
Governance	3,500	5,660
	2023 £	2022 £
Governance costs comprise:		
Audit fees	3,500	3,500
Legal and professional	-	2,160
	3,500	5,660

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

12 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	(169,992)	(750,783)
Sale of investments	(1,754)	22,211
	(171,746)	(728,572)

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 September 2022	75,704
At 31 August 2023	75,704
Depreciation and impairment	
At 1 September 2022	26,736
Depreciation charged in the year	3,028
At 31 August 2023	29,764
Carrying amount	
At 31 August 2023	45,940
At 31 August 2022	48,968

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Investment property

	2023 £
Fair value	
At 1 September 2022	455,154
Additions	7,688
	<hr/>
At 31 August 2023	462,842
	<hr/>

Investment property comprises a commercial property let to Specsavers on a 15 year lease, which commenced in 2003. The fair value of the investment property has been arrived at on the basis of a valuation carried out at December 2012 by Smith & Sons Property Consultants, who are not connected with the charity. The valuation was made in accordance with guidelines issued by the Royal Institution of Chartered Surveyors.

The trust invested in the building of an extension to the property and entered a further long-term lease with the tenants during the 2022-23 accounting period. Trustees have confirmed their interest to sell the property during the 2023-24 accounting period whereupon the market value of the property will therefore be crystallised on following all due diligence to maximise the charity's return on the asset. They believe that any independent survey of value in the meantime would be an unnecessary duplicate process.

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 September 2022	5,180,079	92,749	5,272,828
Additions	2,419,517	204,483	2,624,000
Valuation changes	(169,992)	-	(169,992)
Disposals	(1,172,276)	-	(1,172,276)
At 31 August 2023	6,257,328	297,232	6,554,560
Carrying amount			
At 31 August 2023	6,257,328	297,232	6,554,560
At 31 August 2022	5,180,079	92,749	5,272,828
		2023	2022
		£	£
Investments at fair value comprise:			
Government stocks		442,250	226,782
United Kingdom equities and funds		2,448,176	1,845,999
Overseas Equities and funds		3,366,902	3,107,298
		6,257,328	5,783,651

The historical cost of the investments is £5,733,570 (2022: £4,475,418)

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	25,478	14,400

18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	46,462	166,450
Accruals and deferred income	18,078	11,193
	64,540	177,643

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Bursaries	127,447	50,547	(46,463)	-	131,531
Fundraising activities	8,594	15,539	(84,448)	67,790	7,475
	<u>136,041</u>	<u>66,086</u>	<u>(130,911)</u>	<u>67,790</u>	<u>139,006</u>
Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	At 31 August 2022
	£	£	£	£	£
Bursaries	92,923	70,364	(35,840)	-	127,447
Fundraising activities	3,009	25,495	(19,910)	-	8,594
	<u>95,932</u>	<u>95,859</u>	<u>(55,750)</u>	<u>-</u>	<u>136,041</u>

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2023
	£	£	£	£	£	£
General funds	5,676,405	1,902,725	(243,494)	(67,790)	(171,746)	7,096,100
	<u>5,676,405</u>	<u>1,902,725</u>	<u>(243,494)</u>	<u>(67,790)</u>	<u>(171,746)</u>	<u>7,096,100</u>
Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2022
	£	£	£	£	£	£
General funds	6,277,332	351,159	(223,514)	-	(728,572)	5,676,405
	<u>6,277,332</u>	<u>351,159</u>	<u>(223,514)</u>	<u>-</u>	<u>(728,572)</u>	<u>5,676,405</u>

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 August 2023 are represented by:			
Tangible assets	45,940	-	45,940
Investment properties	462,842	-	462,842
Investments	6,423,028	131,532	6,554,560
Current assets/(liabilities)	164,290	7,474	171,764
	<u>7,096,100</u>	<u>139,006</u>	<u>7,235,106</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2022 are represented by:			
Tangible assets	48,968	-	48,968
Investment properties	455,154	-	455,154
Investments	5,145,381	127,447	5,272,828
Current assets/(liabilities)	26,902	8,594	35,496
	<u>5,676,405</u>	<u>136,041</u>	<u>5,812,446</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

23 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	1,422,660	(560,818)
Adjustments for:		
Investment income recognised in statement of financial activities	(222,909)	(157,116)
Loss/(gain) on disposal of investments	1,754	(22,211)
Fair value gains and losses on investments	169,992	750,783
Depreciation and impairment of tangible fixed assets	3,028	3,028
Movements in working capital:		
(Increase)/decrease in debtors	(11,078)	7,099
(Decrease) in creditors	(113,103)	(9,478)
Cash generated from operations	<u>1,250,344</u>	<u>11,287</u>

THE BIRKENHEAD SCHOOL FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Analysis of changes in net funds

The charity had no material debt during the year.