

Charity Number: 1094042

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

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THE UNIVERSITY OF BUCKINGHAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Status

The University of Buckingham Foundation was established by a trust deed on 12 July 2002 and registered as a charity on 4 October 2002, number 1094042.

Chair of the Board of Trustees

Mr Mark Rushton

Trustees who served during the year and up to the date the financial statements were approved

Mr Mark Rushton, Member of The University of Buckingham ("the University") Council

Prof James Tooley, Vice-Chancellor of the University and Member of the University's Council

Mr Rory Tapner, Chair of the University's Council (resigned 1 November 2021)

Mr Mark Rawlinson, Chair of the University's Council (appointed 1 December 2021 – resigned 4 July 2022)

Mrs Carolyn Cumming

Ms Lorinda Long

Mrs Amanda Nicholson

Ms Elaine Williams, Head of Finance of the University (Appointed 2 June 2021–resigned 19 April 2022)

Mr John Unsworth, Chief Financial Officer of the University (Resigned 11 March 2021)

Mr David Cole, Chief Financial Officer of the University (appointed 8 July 2022)

Mrs Camilla Soames (appointed 8 July 2022)

Registered Office and Principal Place of Business

Yeomanry House

Hunter Street

Buckingham MK18 1EG

Independent Auditors

MHA MacIntyre Hudson LLP

6th Floor

2 London Wall Place

London

EC2Y 5AU

Bankers

Barclays Bank plc

Milton Keynes Grafton Court

Leicester LE87 2BB

Santander UK plc

Business Banking

301 St Vincent Street

Glasgow G2 5NT

Investment Managers

Waverton Investment Management Limited

16 Babmaes Street

London SW1Y 6AH

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and audited financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with accounting policies set out in the notes to the financial statements and in compliance with the Charities Act 2011.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The completion of these 2021 Financial Statements has been regrettably delayed as a result of the delays in the production of the University Group Financial Statements. Having achieved compliance, the Trustees are committed to ensuring the situation does not arise again.

OBJECTIVES AND ACTIVITIES:

Charitable Objects

The objects of The University of Buckingham Foundation ("the Foundation" or "the Charity") are:

- a) To advance the education of the public by, in particular, supporting and promoting the education (including social and physical training) of students attending The University of Buckingham and by benefiting the wider academic community and purposes of The University of Buckingham as a whole; and
- b) To promote research into academic and scientific fields of learning.

Public Benefit

The Trustees have considered the Charity Commission's requirement in respect of Public Benefit. In their view the Foundation meets, in full, the criteria to satisfy the test. The Trustees' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

Activities and achievements of the Foundation

Significant activities undertaken in relation to the delivery of the objects are:

- a) Receiving and investing donations;
- b) Managing the endowment assets; and
- c) Distributing funds in accordance with donors' wishes.

Donations and legacies were the main source of income at £41,030 (2020: £243,858). Investment income was £111,757 (2020: £108,452), £61,200 (2020: £61,200) of which was rental income earned on three investment properties leased to The University of Buckingham.

£15,926 (2020: £14,596) was spent on investment management costs, financed from endowment funds. There were no other significant costs of generating funds. Scholarships and other disbursements in support of the University were £339,732 (2020: £362,291). Disbursements for the year included £308,097 (2020: £311,792) disbursed from the Klatten Restricted Fund. Projects supported by Klatten funding include scholarships & bursaries, outreach activities and a new internship programme for students. Other funding includes scholarship awards to 24 students during the year.

The Foundation continues to encourage the University to utilise the funds available to support Scholarships and Bursaries, through marketing and communications to existing and prospective students, embedding the support that

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

is available to students in the operations of the University.

STRUCTURE, GOVERNANCE AND MANAGEMENT:

Status

The University of Buckingham Foundation was established as a Trust by a trust deed on 12 July 2002 and registered as a charity on 4 October 2002, number 1094042.

Trustees

Trustees are appointed by a resolution of the Trustees. Normally, there will be three or more who are Members of the University's Council and three or more who are independent. The trust deed requires that there be between three and fifteen trustees and they will normally serve five-year terms. Trustees may stand for re-appointment and will not normally serve for more than two terms. Selection of new Trustees is undertaken by the existing Trustees, who identify the need for particular experience.

The current composition of the Trustee Board is three independent members and four University nominated members, including the Chair.

Organisation

The Trustees are responsible for administering the Foundation.

The composition of the Board of Trustees facilitates the sharing of goals and information between the Foundation and the University. At each of their meetings the Trustees receive an update on the University from the Vice-Chancellor or another senior officer of the University. The University's Finance, Estates and Resources Committee receives regular updates about the Foundation.

The day-to-day administration and reporting of the Foundation has been devolved by the Trustees to the Chief Financial Officer and Registrar of the University who feed back to the Trustees of the Foundation at the Trustee meetings.

Principal risks and uncertainties

The Trustees are responsible for managing risk effectively to protect the assets of the Foundation, deliver satisfactory performance, and deliver sound corporate governance. During the year the Trustees examined the major strategic, business and operational risks which the Foundation faces. The principal risk identified was partial loss of the value of investments and related income. This risk is addressed by the engagement of professional investment managers, who manage the investment risk through detailed market analysis and management of a diverse portfolio of assets. Performance is closely monitored through regular investment performance reports and reviews presented at Trustee meetings.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

FINANCIAL REVIEW

General

The Foundation's financial performance for the year ended 31 December 2021 was net income of £17,883 (2020 £106,370). As at 31 December 2021, the Foundation had net assets of £4,658,907 (2020 £4,641,024). The Trustees consider the financial position and performance to be satisfactory.

The continued strong stock market performance in 2021 resulted in gains in investment valuations of £280,087, compared with a gains in investment valuations of £190,247 in 2020.

During the year the Foundation has acted at a custodian on behalf of the University of Buckingham, a registered charity with a purpose of the advancement of learning and knowledge by teaching and research and enabling students to obtain the advantages of university education. The charitable purpose of the University is therefore complimentary to that of the Foundation. During the year the Foundation received £211,497 (2020: £nil) of funds to hold as custodian. Those funds have been retained in cash and bank in hand balances and included as a current liability as at the balance sheet date. The trustees are cognizant that these funds are held separately as custodian.

Reserves

The Foundation holds endowment, restricted and unrestricted funds, the current and prior year-end balances of which are detailed below.

	31 December 2021 £	31 December 2020 £
Endowment funds	4,029,574	3,768,787
Restricted funds	589,836	832,754
Unrestricted funds	39,497	39,483
Total	4,658,907	4,641,024

The Trustees of Foundation consider holding unrestricted funds in the region of £40,000 to be appropriate in order to mitigate the risks it faces, such as the University ceasing to donate governance services. As detailed above, the Foundation held £39,497 of unrestricted funds as at 31 December 2021, which the Trustees consider adequate.

Investment Properties / Tangible Assets

In 2011 the Foundation purchased three investment properties at a total cost of £684,191. They were revalued in 2016 and are held in the financial statements at 31 December 2021 at a net book value of £888,400 (2020: £907,700).

Depreciation was charged on these properties at 2% of their deemed cost. The properties were classed as investment properties and have been fair valued under FRS102. The Foundation has taken advantage of the triennial amendments to FRS102 that are applicable for entities renting properties to fellow group entities, for periods beginning on or after 1 January 2019. Accordingly, the properties are held at their value at the transition date of 1 January 2018, rather than revaluing each year, by presenting their value at transition as the 'deemed cost' and depreciating this deemed cost going forward.

These properties are owned by the Foundation and leased to the University, which uses them for student accommodation.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Investment Performance

The long-term investment policy is to maintain the real value of the investments, while also earning an income to disburse for the purposes of the endowments – scholarships and research grants. The achievement of the policy is monitored against the Waverton Balanced Index, the benchmark adopted by the Trustees, along with a target income return of between 2.0% and 2.5%. Waverton Investment Management, the Foundation's Investment Managers, report for the year ending 31 December 2021 as at 17 March 2022, is as follows:

“2021 saw the continuation of the strong recovery seen in markets as the global economy rebounded from the COVID-19 pandemic. Over the calendar year the portfolio produced a total return of +14.03% net of fees versus the Waverton Balanced Index benchmark which rose by +10.37% and cash which returned +0.06%. The performance exceeded that of the peer group, as measured by the ARC Steady Growth Index (net of fees) which was +10.24%.

In the first half (to 30th June) the portfolio produced a +7.23% total return. The total return of the benchmark over this period was +5.51%. For the second half the figures show a gain of +6.35% versus the benchmark total return of +4.60%.

The best performance during the year again came from the US investments and especially the technology related names such as Microsoft and Intuit. Other names that were especially strong include Costco, Home Depot and Avery Dennison, while Novo Nordisk, Shell and Hitachi were the best of the non-US holdings. Asahi was weak once again as lockdowns continued, but Rio Tinto was the weakest of the equity names during the year. Syncona, in the “alternatives” space also had a poor year.

The overall asset allocation changed slightly compared to a year ago as we became more confident in the economic recovery from the pandemic. The equity weighting increased to just over 63% from 61%, while the holdings of cash and fixed income were reduced as inflationary pressures increased and as yields looked unattractive compared to what we are able to achieve in the equity and “alternatives” space. During the year we added new positions in M&G Group (asset management, attractive yield), Siemens (industrial conglomerate), Toyota (car manufacturer) and Inditex (retail). The holding in Somerset Emerging Markets was replaced with RWC Global Emerging Markets.

During 2021 we were optimistic on the outlook; it quickly became apparent that forecasts for corporate earnings were too low as the economy recovered, but our enthusiasm for equities was tempered by high valuation multiples, especially in the US. Our more recent purchases, therefore, were focused on companies where we felt valuations look much more reasonable. As we entered 2022 we were still positive on the outlook for equity markets – the huge growth in earnings in 2021 meant that valuations looked reasonable compared to history, while inflationary pressures made fixed interest and cash look even less attractive than they did previously. As I write, however, markets are dominated by concerns over the terrible conflict in Ukraine and the unpredictable geopolitical situation globally. This has led to a fall in both equity and bond markets reflecting this uncertainty as well as the likelihood of substantial disruption to supply chains and further inflationary pressure, especially from the commodities complex. We are currently neutral in terms of positioning as a result, with a broad spread of sector exposure and a relatively low weighting in fixed interest and cash.”

During the year income of £50,269 (2020 £43,406) was generated and remitted to the Foundation. The yield on the portfolio was 2.2% as at 31st December which is within the range set by the Trustees.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

GOING CONCERN

The impact of the COVID pandemic during 2020-21 and the invasion of Ukraine in early 2022 affected all economies and although investment values have fluctuated as a result, the Trustees are satisfied that the Foundation will continue as going concern for the foreseeable future.

Other than disbursements from available funds, the Foundation has very limited unrestricted expenditure due to the donation of the administrative and governance support costs from the University of Buckingham. The Trustees consider that the Foundation could, if necessary, continue its activities for a period of at least 12 months from the signing of these accounts without such support; indeed the Foundation holds unrestricted funds in part to cover the withdrawal of such services. The Trustees also consider the likelihood of the withdrawal of this support to be low.

Considering the above, the financial statements have been prepared on a going concern basis and the principal accounting policies have been applied consistently throughout the year. The Trustees are not aware of any material uncertainties over the Foundation's ability to continue as a going concern.

FUTURE ACTIVITIES

The University continues to lead the fundraising efforts on behalf of the Foundation, with the Foundation focusing on managing investments and making disbursements in accordance with the donors' wishes. The Foundation expects to continue receiving donations, notably those that are intended as endowments.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual 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 period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, 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 business.

The Trustees are responsible for keeping proper 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.

Approved by the Trustees and signed on their behalf by:



Mr Mark Rushton, Chair

Date: 27 February 2023

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE UNIVERSITY OF BUCKINGHAM FOUNDATION

For the year ended 31 December 2021

Opinion

We have audited the financial statements of the University of Buckingham Foundation (the 'Charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE UNIVERSITY OF BUCKINGHAM FOUNDATION

For the year ended 31 December 2021 (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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, except to the extent otherwise explicitly stated in our report, 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE UNIVERSITY OF BUCKINGHAM FOUNDATION

For the year ended 31 December 2021 (continued)

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Performing audit work over the grant making and monitoring process;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



MHA MacIntyre Hudson

Statutory Auditor
London, United Kingdom

Date: 2 March 2023

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Statement of financial activities for the year ended 31 December 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations and legacies	2	40,810	220	-	41,030	243,858
Investments	3	13	111,744	-	111,757	108,452
Total		40,823	111,964	-	152,787	352,310
Expenditure on:						
Raising funds	4	-	(15,926)	-	(15,926)	(14,596)
Charitable activities	5, 6	(40,809)	(338,956)	-	(379,765)	(402,291)
Other	7	-	-	(19,300)	(19,300)	(19,300)
Total		(40,809)	(354,882)	(19,300)	(414,991)	(436,187)
Net gains on investments		-	-	280,087	280,087	190,247
Net Income/(expenditure)		14	(242,918)	260,787	17,883	106,370
Transfers between funds		-	-	-	-	-
Net movement in funds		14	(242,918)	260,787	17,883	106,370
Reconciliation of funds:						
Total funds brought forward		39,483	832,754	3,768,787	4,641,024	4,534,654
Total funds carried forward		39,497	589,836	4,029,574	4,658,907	4,641,024

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 25 form part of these financial statements.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Balance sheet as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Fixed assets			
Tangible assets	7	888,400	907,700
Investments	8	2,515,595	2,251,432
Total fixed assets		3,403,995	3,159,132
Current assets			
Investments	9	84,052	333,812
Cash at bank and in hand	10	1,769,089	1,195,079
Total current assets		1,853,141	1,528,891
Current liabilities			
Creditors: Amounts falling due within one year	11	(598,229)	(46,999)
Net current assets		1,254,912	1,481,892
Total assets less current liabilities		4,658,907	4,641,024
Total funds of the charity			
Endowment funds	14, 15	4,029,574	3,768,787
Restricted income funds	14, 15	589,836	832,754
Unrestricted funds	14, 15	39,497	39,483
Total charity funds		4,658,907	4,641,024

The notes on pages 13 to 25 form part of these financial statements.

The financial statements on pages 11 to 25 were approved by the Board of Trustees and authorised for issue on 27 February 2023 and are signed on its behalf by:



Mr Mark Rushton



Professor James Tooley

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities who prepare their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Whilst the Foundation receives donated governance services from the University, the Trustees consider that the Foundation could, if necessary, continue its activities for a period of at least 12 months from the signing of these accounts without such support; indeed, the Foundation holds unrestricted funds in part to cover the withdrawal of such services. The Trustees also consider the likelihood of the withdrawal of this support to be low.

In light of the above, the financial statements have been prepared on a going concern basis and the principal accounting policies have been applied consistently throughout the year. The Trustees are not aware of any material uncertainties over the Foundation's ability to continue as a going concern.

The Trustees are therefore confident that the Foundation's outlook will remain satisfactory.

The Foundation has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of The University of Buckingham's Financial Statements includes the Foundation's cash flows.

b) Income recognition

Donations and endowments: Donations and similar incoming resources are included in the period in which they are received, namely when the Foundation becomes entitled to the resources.

There are four main types of donations and endowments:

1. Restricted donations – the donor has specified that the donation must be used for a particular purpose.
2. Unrestricted donations – the donor has not specified the use of the donation and it can be used for the general benefit of the Foundation.
3. Restricted expendable endowments – the donor has specified a particular objective and the Foundation has the power to use the capital.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donated services: These are recognised as income when the Foundation has received such services and any associated conditions, if any, have been complied with. The Foundation received donated services from The University of Buckingham. These comprised business administration services provided by the University, plus the University paid for the cost of the external audit of the Foundation. Donated services are recognised at fair value, being the value to the Foundation.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

1 Accounting policies (continued)

c) Funds

Permanent endowments are funds which are restricted to the extent the Foundation cannot draw down the capital but the income is used to provide an income to fund scholarships, staff research and student prizes, in accordance with the donors' respective wishes.

Expendable endowments are funds where the capital can be disbursed in addition to income generated if the Trustees resolve to do so.

Restricted funds comprise monies where a restriction has been placed on their use by a donor (for a purpose which falls within, but is narrower than the general charitable objectives). Restricted funds are distributed in accordance with the terms of the original restriction. The Foundation has full access to the capital and income generated.

d) Expenditure

Expenditure relates to raising funds, charitable activities, and the administration and governance of the Foundation.

All administration and governance costs are borne by The University of Buckingham. Such services are recognised as donated services and corresponding notional recharge is reflected in these financial statements to recognise the cost of the services provided.

Costs of raising funds relates primarily to investment management fees. Costs of charitable activities relates to grants provided to The University of Buckingham, which the University uses subsequently to provide scholarships and education resources.

e) Investments

Investments are recognised at market value at the balance sheet date. Any gains or losses on these investments is included in the Statement of Financial Activities.

Cash deposits at banks, intended to be held more than three months and up to twelve months, is classified as "Investments" within current assets.

Cash deposits at banks, intended to be held for more than twelve months, is classified as "Investments" within fixed assets.

Investment income and appreciation of endowments is recognised as income in the year in which it arises and restricted income is recognised according to the terms applied to the individual endowment fund.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

1 Accounting policies (continued)

f) Property, plant and equipment / tangible assets / investment properties

An investment property is a property (land or a building, or part of a building, or both) held to earn rentals or for capital appreciation or both, rather than for: a) use in the supply of goods or services or for administrative purposes; or b) sale in the ordinary course of business.

As the properties are rented out to other group companies, the Foundation has chosen to adopt the policy choice, as part of the triennial review amendment in FRS102 for investment property accounting (applicable from 1 January 2019), to transfer the properties to Property, Plant and Equipment under the cost model. The properties were classed previously as investment properties and under FRS102 have been fair valued.

From the financial year commencing 1 January 2019, the Foundation has taken the advantage of the triennial amendments to FRS102 that are applicable for entities renting properties to fellow group entities (for period beginning on or after 1 January 2019) and hold the carrying value at the transition date of 1 January 2018, as deemed cost, rather than fair value each year, and depreciating such deemed cost as per its estimated useful life.

The properties are depreciated at 2% of cost annually, in order to write off their cost or valuation evenly over their 50-year expected useful life.

g) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

h) Taxation and charitable status

The Foundation is a Registered Charity. It is a charity within the meaning of Paragraph 1, Schedule 6, Finance Act 2010 and therefore exempt from taxation in respect of income or capital gains received within categories covered by section 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. Charitable status provides no similar exemption from VAT.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

1 Accounting policies (continued)

i) Financial instruments

The Foundation has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Foundation becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments.

Financial assets: Basic financial assets, which include trade debtors, other debtors, accrued income, amounts due from the parent undertaking and other debtors, are measured initially at transaction price including transaction costs and are carried subsequently at amortised cost.

Financial liabilities: Basic financial liabilities, which include bank overdraft, loans, trade creditors, accruals, and deferred income are measured initially at transaction price including transaction costs and are carried subsequently at amortised cost.

Equity instruments: An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

j) Cash and cash equivalents

These include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

k) Critical estimates and judgements

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions that may not readily be apparent from other sources. Estimates and associated assumptions are based on historical experience and other factors the Trustees judge are relevant. Actual results may differ from estimates. The Trustees have exercised their judgement when applying the Foundation's accounting policies. In particular:

1. Impairment of investment properties:

The Trustees have considered an external valuation performed during 2020 and judged that there is no need to impair the value of investment properties as recorded at 31 December 2020.

2. Donated services provided by The University of Buckingham:

The Trustees have made what they consider a fair estimate of the value of services donated by The University of Buckingham, further to discussion with relevant officers of the University, and that value has been recognised accordingly in the financial statements.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Donations in the year from third parties	810	220	-	1,030	203,858
Donated services provided by The University of Buckingham	40,000	-	-	40,000	40,000
	40,810	220	-	41,030	243,858

In the year to 31 December 2020, £203,853 in donations were received from third parties and were allocated as follows: £201,621 to Endowment funds, £1,374 to Restricted funds and £863 to Unrestricted Funds. Donated Services provided by the University of Buckingham in the year ended 31 December 2020 were allocated entirely to Unrestricted Funds.

3 Income from investments

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Deposit account interest	13	275	-	288	3,846
Dividends from listed investments	-	50,269	-	50,269	43,406
Rental income from investment properties	-	61,200	-	61,200	61,200
Total	13	111,744	-	111,757	108,452

In the year to 31 December 2020, £3,846 in income from deposit account interest was generated. The income was allocated as follows: £3,798 to Restricted Funds, £48 to Unrestricted Funds. Dividends for listed investments of £43,406 were all allocated to Endowment Funds and Rental Income of £61,200 was allocated to Endowment Funds.

4 Expenditure on raising funds

	2021 £	2020 £
Fees charged by Waverton Investment Managers	15,926	14,596
	15,926	14,596

Investment managers' costs comprise a full year's fees at the rate of 1% of the first £1 million of fund value and 0.5% on the balance, plus VAT which is irrecoverable.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

5 Scholarships and other disbursements

2021	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Scholarships	-	29,635	-	29,635
Grants	800	308,297	-	310,097
	800	338,932	-	339,732

2020	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Scholarships	-	4,273	42,727	50,500
Grants	3,500	311,791	-	311,791
	3,500	316,064	42,727	362,291

All disbursements have been made from endowed or restricted funds in accordance with the donors' wishes, or from unrestricted funds at the Trustees' discretion.

Disbursements of endowment funds have been made from investment income and capital where allowable given the donors' wishes. The Osborn, Desborough, and certain smaller endowment funds categorised among "Other" within Note 16 are used to pay for scholarships. Student prizes are paid from the Jewkes Fund, which is categorised among "Other" within Note 16. Scholarships were also funded by Paul E H Davis Restricted Fund. Staff and research grants are paid from the Dennison fund.

Grants were also awarded from the Klatten Fund to fund the development of the Entrepreneurship and Innovation Centre, the development of the BSc Business Enterprise and Innovation course, plus the award of scholarships to students of The University of Buckingham studying courses within this Centre.

The table below analyses the charitable activities of the Foundation. The Foundation itself does not make direct disbursements to beneficiaries. All of the Foundation's activities were performed by the provision of grant funding to The University of Buckingham, which then disbursed funding to beneficiaries for the purposes of the relevant funds detailed Note 15. Expenditure on charitable activities includes £33 in bank charges and other minimal admin costs.

2021

All grant funding was provided to The University of Buckingham, which applied this grant funding for the purposes as below.

	Activities undertaken directly £	Provision of grant funding £	Support costs £	Total 2021 £
Scholarship awards made	-	29,635	-	29,635
Grants	-	310,097	-	310,097
	-	339,732	-	339,732

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

5 Scholarships and other disbursements (continued)

2020

All grant funding was provided to The University of Buckingham, which applied this grant funding for the purposes as below.

	Activities undertaken directly	Provision of grant funding	Support costs	Total 2020
	£	£	£	£
Scholarship awards made	-	47,000	-	47,000
Grants	-	315,291	-	315,291
	-	362,291	-	362,291

6 Governance and audit costs

No staff were employed directly by the Foundation (2020: nil). Governance costs were £40,033 (2020: £40,000), including bank charges. None of these costs relate specifically to raising funds or the delivery of charitable activities.

Governance costs of £40,000 relate to the provision of corporate administration and governance of the Foundation; within that figure is the provision of external audit services of an estimated £20,000 in value. Governance services are provided as a donation in kind by The University of Buckingham. Expenditure listed at Note 16 comprises direct expenditure from the relevant funds.

7 Tangible assets

	Investment properties £	Total £
Cost		
At 1 January 2021	965,000	965,000
At 31 December 2021	965,000	965,000
Accumulated Depreciation		
At 1 January 2021	(57,300)	(57,300)
Depreciation charge for the year	(19,300)	(19,300)
At 31 December 2021	(76,600)	(76,600)
Net book value		
At 31 December 2021	888,400	888,400
At 31 December 2020	907,700	907,700

Tangible assets comprise three freehold residential properties in Buckingham that are leased to The University of Buckingham and which were purchased in 2011 for £684,191. These properties were revalued in 2016 with a market value of £965,000 and were carried at this value until 2018.

As the investment properties are rented out to The University of Buckingham, being another group entity, the Foundation has chosen to adopt the policy choice given as part of triennial review amendment in FRS102 for investment property accounting (applicable from 1 January 2019) to transfer the properties to Property, Plant and Equipment under the cost model.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

8 Fixed asset investments

	2021	2020
	£	£
Listed investments	2,383,522	2,134,892
Cash held by the Investment Manager	132,073	116,540
Balance at 31 December	2,515,595	2,251,432

a) Listed investments – summary of transactions

	2021	2020
	£	£
Balance at 1 January	2,134,892	1,931,856
Purchases	332,186	583,723
Sales	(363,644)	(570,934)
Net gains / (losses) on investments	280,087	190,247
Balance at 31 December	2,383,522	2,134,892

b) Listed investments – geographic analysis

	2021	2020
	£	£
UK bonds	395,179	403,988
UK equities	270,563	248,198
Continental European equities	247,509	252,366
North American equities	676,382	457,281
Japanese equities	235,358	160,880
Asia Pacific equities	106,814	172,325
Emerging market equities	53,839	56,607
Alternatives	397,878	383,247
	2,383,522	2,134,892

c) The historic cost of investments

	2021	2020
	£	£
Listed investments	1,766,989	1,709,283

Individual investments in the listed investments portfolio that are 5% or more of the total are:

	% of total market cost	2021 £	% of total market cost	2020 £
Waverton Sterling Bond Fund 'B' Inc £	9%	236,434	10%	230,965
Waverton Global Strategic Bond Fund 'I' £	6%	158,745	6%	136,119
Waverton Real Assets Fund 'A' Inc	-	-	5%	112,010
Market value as at 31 December		395,179		479,094

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

9 Current asset investments

This cash deposit represents the part of the endowed and restricted funds held in bank or treasury deposit accounts. The Trustees have determined the intended holding time is between three and twelve months.

	2021 £	2020 £
Santander deposit account	84,052	333,812
Balance at 31 December	84,052	333,812

10 Cash at bank and in hand

	2021 £	2020 £
Barclays current accounts	1,499,780	986,784
Barclays deposit account	258,972	197,750
Cash in transit	10,337	10,545
Balance at 31 December	1,769,089	1,195,079

Cash in transit relates to un-cleared lodgements as at the year-end date.

11 Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group and associated undertakings	598,229	46,999
	598,229	46,999

The creditors balance includes the balance due to The University of Buckingham, a group undertaking, for Scholarships, Bursaries and other grants and prizes awarded, being £386,732 (2020: £46,999) and £211,497 of funds held as custodians on behalf of the University. The amount payable to the University was approved by the Foundation prior to the year-end.

12 Trustee remuneration and expenses

The Trustees neither received nor waived any emoluments during the year and previous year. No Trustee was reimbursed for any expenses by the Foundation during the year and previous year.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

13 Related party transactions

The total value of funds due to the University as at 31st December 2021 was £598,229 (2020 £46,999). The University of Buckingham is the beneficiary of £339,732 (2020: £362,291) of charitable disbursements made by the Foundation in 2021. The balance includes funds of £211,497, held as custodians on behalf of the University.

The Foundation received donated services provided by The University of Buckingham. These included business administration services and the cost of the external audit of the Foundation. The Trustees and the Chief Financial Officer of the University have estimated the fair value of such donated services as £40,000 (2020 £40,000) made up of business administration services, including external audit services of an estimated value of £20,000 (2020 £20,000). A restricted donation of £100 to the Dickens Online Journal fund was received from Amanda Nicolson, a trustee, during the year (2020: £100).

14 Analysis of net assets between funds

2021	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021
	£	£	£	£
Fixed assets				
Tangible Assets	-	-	888,400	888,400
Investments	-	-	2,515,595	2,515,595
Net current assets				
Investments	-	84,052	-	84,052
Other net current assets	39,497	505,784	625,579	1,170,860
	39,497	589,836	4,029,574	4,658,907

2020	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020
	£	£	£	£
Fixed assets				
Tangible Assets	-	-	907,700	907,700
Investments	-	-	2,251,432	2,251,432
Net current assets				
Investments	-	333,812	-	333,812
Other net current assets	39,483	498,942	609,655	1,148,080
	39,483	832,754	3,768,787	4,641,024

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

15 Movement in funds

2021	At 1 Jan 2021	Incoming resources	Net gain/(loss) on investment	Outgoing resources	At 31 Dec 2021
	£	£	£	£	£
Permanent endowments					
Gregory	1,685,280	-	125,246	(19,300)	1,791,226
Ondaatje	416,282	-	30,937	-	447,219
Brunner	137,685	-	10,232	-	147,917
Weston 1997	106,989	-	7,951	-	114,940
Weston 1999	192,232	-	14,286	-	206,518
Other	298,423	-	22,178	-	320,601
Total permanent endowments	2,836,891	-	210,830	(19,300)	3,028,421
Expendable endowments					
Desborough	606,769	-	45,094	-	651,863
Coase	324,632	-	24,126	-	348,758
Other	495	-	37	-	532
Total expendable endowments	931,896	-	69,257	-	1,001,153
Total endowment funds	3,768,787	-	280,087	(19,300)	4,029,574
Restricted funds					
Gregory	-	83,679	-	(23,324)	60,355
Ondaatje	-	5,553	-	(7,259)	(1,706)
Brunner	-	1,836	-	(582)	1,254
Weston 1997	-	1,427	-	(1,202)	225
Weston 1999	-	2,564	-	(812)	1,752
Desborough	-	8,094	-	(2,564)	5,530
Coase	-	4,330	-	(7,872)	(3,542)
Klatten	797,439	263	-	(308,120)	489,582
Other restricted funds	35,315	4,218	-	(3,147)	36,386
Total restricted funds	832,754	111,964	-	(354,882)	589,836
Unrestricted funds	39,483	40,823	-	(40,809)	39,497
Total	4,641,024	152,787	280,087	(414,991)	4,658,907

At the date of the signing of these accounts the Trustees were performing but had not yet completed a review of the Foundation's Endowment, Restricted and Unrestricted funds, and the presentation of Endowment income and expenditure which occurred before the start of this reporting period. As a result of the ongoing review, and from 2021 onwards, income and expenditure relating to Endowment funds are disclosed in corresponding Restricted funds to separate the capital element of each Endowment fund from the distributable balances.

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

15 Movement in funds (continued)

Purpose of restricted and endowment funds

The permanent endowments are invested to provide an income to fund scholarships, staff research and student prizes at The University of Buckingham, in accordance with the donors' respective wishes.

Gregory	Scholarships in Business, Humanities and Science
Ondaatje	General bursaries for students
Brunner	Scholarships for Business and Law
Weston 1997	Scholarships for Business and Law
Weston 1999	Scholarships for Business and Law
Other	Scholarships for Law

The Coase and Desborough expendable endowments are also invested but their base capital as well as income can be used to fund disbursements in accordance with the donors' wishes, being to fund Economics and Business scholarships respectively. Other restricted funds are disbursed in accordance with the donors' wishes, the main unexpended element being the Klatten Fund. The purpose of this fund is to further the development of the Entrepreneurship and Innovation Centre plus fund the costs of scholarships to students of The University of Buckingham studying courses within this Centre.

2020	At 1 Jan 2020	Incoming resources	Net gain/(loss) on investment	Outgoing resources	At 31 Dec 2020
	£	£	£	£	£
Permanent endowments					
Gregory	1,376,076	280,657	78,173	(49,626)	1,685,280
Ondaatje	394,432	5,112	22,407	(5,669)	416,282
Brunner	129,232	1,675	7,341	(563)	137,685
Weston 1997	100,420	1,302	5,705	(438)	106,989
Weston 1999	183,095	2,373	10,401	(3,637)	192,232
Other	282,004	3,655	16,020	(3,256)	298,423
Total permanent endowments	2,465,259	294,774	140,047	(63,189)	2,836,891
Expendable endowments					
Desborough	569,516	7,382	32,353	(2,482)	606,769
Coase	313,697	4,066	17,821	(10,952)	324,632
Grosvenor Trust	465	6	26	(2)	495
Total expendable endowments	883,678	11,454	50,200	(13,436)	931,896
Total endowment funds	3,348,937	306,228	190,247	(76,625)	3,768,787
Restricted funds					
Klatten	1,105,476	3,755	-	(311,792)	797,439
Other restricted funds	38,170	1,418	-	(4,273)	35,315
Total restricted funds	1,143,646	5,173	-	(316,065)	832,754
Unrestricted funds	42,071	40,912	-	(43,500)	39,483
Total	4,534,654	352,313	190,247	(436,190)	4,641,024

THE UNIVERSITY OF BUCKINGHAM FOUNDATION

Notes to the financial statements for the year ended 31 DECEMBER 2021 (continued)

16 Operating Leases

Rent receivable under non-cancellable operating leases is as follows:

	2021	Restated 2020
	£	£
Rent receivable within 1 year	45,900	61,200
Rent receivable after 1 year but before 5 years	-	45,900
	45,900	107,100

Leases relate to the rental of tangible fixed assets to the University to be used as student accommodation, renewable in September 2022.

17 Ultimate parent undertaking and controlling party

The Trustees consider that The University of Buckingham, incorporated by Royal Charter (number RC000730) and a Registered Charity (number 1141691), is the immediate and ultimate controlling party by virtue of the Trust Deed. Also, there is shared membership of the boards of The University of Buckingham and The University of Buckingham Foundation, with three Trustees of the Foundation normally being Members of the Council of The University of Buckingham.

The charitable objects of the Foundation are listed earlier, within the Trustees' report. The charitable objects of the University are:

- (i) To advance the education of the public by, in particular, supporting and promoting the education (including social and physical training) of students attending the University of Buckingham and by benefitting the wider academic community and purposes of the University of Buckingham as a whole.
- (ii) To promote research into academic and scientific fields of learning.

Consolidated financial statements that include the Foundation's financial statements can be obtained from the address below.

Finance Department
The University of Buckingham
Yeomanry House
Hunter Street
Buckingham MK18 1EG

No other group financial statements include the results of the Foundation.