



THE UNIVERSITY OF
BUCKINGHAM
FOUNDATION

Annual Report and Financial Statements 2023

Charity Number: 1094042

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Legal and Administrative Information

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

Mrs Carolyn Cumming

Ms Lorinda Long

Mrs Amanda Nicholson

Mr David Cole, Chief Financial Officer of the University

Mrs Camilla Soames, Vice-Chair of the University's Council

Registered Office and Principal Place of Business

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Independent Auditors

MHA

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Leicester

LE87 2BB

Santander UK plc

Business Banking

301 St Vincent Street

Glasgow G2 5NT

Report of the Trustees

The Trustees present their report and audited financial statements for the year ended 31 December 2023. 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).

OBJECTIVES AND ACTIVITIES

Charitable Objects

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

- 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
- 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:

- Receiving and investing donations;
- Managing endowment assets; and
- Distributing funds in accordance with donors’ wishes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Report of the Trustees

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-

FINANCIAL REVIEW

The Foundation's financial performance for the year ended 31 December 2023 was net income of £412,123 (2022: net expenditure of £548,678). Better stock market performance in 2023 resulted in gains in investment valuations of £220,707, compared with a loss in investment valuations of £249,504 in 2022. On 31 December 2023, the Foundation had net assets of £4,522,353 (2022: £4,110,229). The Trustees consider the financial position and performance to be satisfactory.

Donations of £456,708 (2022: £65,982) were received, including £244,976 from the Swain legacy, the majority of which had been held on trust and invested by the Foundation on behalf of the University of Buckingham during 2022 and 2023. The transfer of the Swain legacy funds to the Foundation was approved during 2023 and completed on 31 December 2023. Investment income generated was £76,234 (2022: £65,833). In addition, £61,200 (2022: £61,200) in rental income was generated on three investment properties leased to the University of Buckingham.

£18,757 (2022: £17,926) was spent on investment management costs. Scholarships, prizes and grants in support of the University were £312,453 (2022: £414,840). Disbursements for the year included the final grant payment of £117,395 (2022: £373,542) disbursed from the Klatten Restricted Fund. Projects supported by Klatten funding include scholarships and bursaries, outreach activities, and a new internship programme for students. Other funding includes scholarship awards to 31 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 is available to students in the operations of the University. It is also fully supportive of the investment in fundraising, to generate funds for more scholarship schemes but also other projects that will enhance the teaching and learning experience of students attending the University.

Reserves

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

	31 December 2023	31 December 2022
	£	£
Endowment funds	4,159,329	3,760,770
Restricted funds	313,943	309,399
Unrestricted funds	49,081	40,060
	4,522,353	4,110,229

At the date of the signing of these accounts progress has been made on the review of Endowment and Restricted Funds, and the presentation of income and expenditure associated with Endowment Funds. The work is anticipated to conclude in 2024 after further verification work has been completed.

Report of the Trustees

The Trustees of the Foundation consider holding unrestricted funds in the region of £40,000 to be appropriate to mitigate the risks it faces, such as the University ceasing to donate governance services. As detailed above, the Foundation held £49,081 of unrestricted funds as at 31 December 2023, 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 formally valued in 2016 and are held in the financial statements on 31 December 2023 at a netbook value of £853,660 (2022: £869,100).

Depreciation was charged at 2% on the proportion of the deemed cost considered by the Trustees to be depreciable buildings. 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.

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 2023 as at 06 April 2024, is as follows:

"2023 saw a recovery in markets after a difficult 2022. Returns were very much loaded towards the end of the period, however, once investors felt more comfortable about inflation being brought back under control and as the feeling grew that interest rates have peaked and may start to fall. Over the calendar year the portfolio produced a total return of +9.79% net of fees versus the Waverton Balanced Index benchmark which rose by +11.69% and 1 month cash which returned +4.67%. The performance exceeded that of the peer group, as measured by the ARC Balanced Asset Charity Index (net of fees) which was +6.05%.

In the first half (to 30th June) the portfolio produced a +2.31% total return. The total return of the benchmark over this period was +4.40%. For the second half the figures show a gain of +7.31% versus the benchmark total return of +6.98%.

The best performance during the year came from Amazon, but the technology sector overall was strong as investors focussed on the potential of Artificial Intelligence ("AI"). Intuit, Alphabet and Microsoft all rose sharply as a result of this theme. Outside the technology space Inditex, the owners of Zara, also rose sharply as the consumer outlook improved and the strength of their business model was proven. On the negative side, Anglo American was very weak as the Chinese economy failed to recover from Covid related shutdowns as quickly as expected and the healthcare sector, including AstraZeneca and Thermo Fisher was also relatively weak. The "Alternatives" space continued to perform poorly as interest rates rose further during the year.

The overall asset allocation changed little compared to a year ago, although we did add to our holdings in the fixed interest space as we became more comfortable that bond yields were starting to offer value for the first time in many years. This change was made at the expense of our holdings in "Alternatives" and cash – the equity weighting was broadly unchanged. Portfolio sales are listed in the table below. New positions were purchased in Keyence (industrial robots), United Health (US healthcare provider) and Pepsico (food and beverages). We also added to existing holdings in the two Waverton bond funds during the year and purchased a longer dated UK Gilt which we expect to perform strongly once interest rates start to fall.

Report of the Trustees

In terms of the outlook it is encouraging to see inflation falling back to more normal levels, although the final drop towards central bank targets may prove to be the trickiest part. There is a strong feeling that interest rates on both sides of the Atlantic have peaked and that they should start to fall as the year progresses – this is generally supportive of the economic backdrop and it is quite possible now that we witness a fabled “soft landing” in the US. Corporate results continue to be positive and earnings forecasts look realistic and are encouraging. Offsetting this are political and geopolitical concerns, with elections in the US and UK in particular being the focus of our attention and it appearing more likely that Donald Trump may regain the White House, with all the chaos that would entail. We are also concerned about the situations in the Middle East and Russia / Ukraine, as well as China’s economic and territorial ambitions. All of this means that we remain neutral in terms of our positioning as I write.”

During the year income of £67,400 (2022: £64,070) was generated and remitted to the Foundation. The yield on the portfolio was 2.1% for the year, which is within the range set by the Trustees.

GOING CONCERN

As reported last year, world events affected all economies during 2022, causing investment values to fluctuate, affecting overall investment returns. There has been some recovery during 2023 which has generated gains in investment values, but world events continue to unsettle economies and markets. The Trustees consider that fluctuations in investment valuations do not affect going concern and that the risks to the Foundation are limited to the impact on the value of investment returns it can distribute to the University in grants, to support scholarships and bursaries.

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 possible 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.

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.

Report of the Trustees

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:

A handwritten signature in black ink, appearing to read 'Mark', with a large, sweeping flourish extending to the right.

MR MARK RUSHTON, CHAIR

15th May 2024

Independent Auditors' Report

Opinion

We have audited the financial statements of the University of Buckingham Foundation (the 'Charity') for the year ended 31 December 2023 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 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 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, including consideration of financial forecasts and cashflows, 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.

Independent Auditors' Report (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.

Independent Auditors' Report (continued)

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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
Statutory Auditor
London, United Kingdom

~~15th May 2024~~ 27 May 2024

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

Statement of Financial Activities

Note		Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2023 £	Total Funds 2022 £
	Income and endowments from:					
2	Donations and legacies	56,262	155,470	244,976	456,708	65,982
3	Income from charitable activities	-	61,200	-	61,200	61,200
4	Investments	8,834	67,400	-	76,234	65,833
		65,096	284,070	244,976	594,142	193,015
	Expenditure on:					
5	Raising funds	-	(18,757)	-	(18,757)	(17,926)
6	Charitable activities	(56,075)	(312,453)	(15,440)	(383,968)	(474,263)
		(56,075)	(331,210)	(15,440)	(402,725)	(492,189)
	Net gains/(losses) on investments	-	-	220,707	220,707	(249,504)
	Net Income/(expenditure)	9,021	(47,140)	450,243	412,124	(548,678)
15	Transfers between funds	-	51,684	(51,684)	-	-
	Net movement in funds	9,021	4,544	398,559	412,124	(548,678)
	Reconciliation of funds:					
	Total funds brought forward	40,060	309,399	3,760,770	4,110,229	4,658,907
	Total funds carried forward	49,081	313,943	4,159,329	4,522,353	4,110,229

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

The notes on pages 12 to 24 form part of these financial statements.

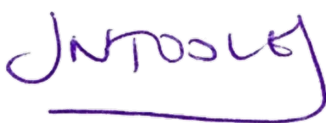
Balance Sheet as at 31 December 2023

Note		31 December 2023 £	31 December 2022 £
	Fixed assets		
7	Tangible assets	853,660	869,100
8	Investments	3,157,989	2,945,624
	Total fixed assets	4,011,649	3,814,724
	Current assets		
9	Investments	87,388	84,615
10	Cash at bank and in hand	1,507,080	1,213,285
	Total current assets	1,594,468	1,297,900
	Current liabilities		
11	Creditors: Amounts falling due within one year	(1,083,764)	(1,002,395)
	Net current assets	510,704	295,505
	Total assets less current liabilities	4,522,353	4,110,229
	Total funds of the charity		
14,15	Unrestricted funds	49,081	40,060
14,15	Restricted income funds	313,943	309,399
14,15	Endowment funds	4,159,329	3,760,770
	Total charity funds	4,522,353	4,110,229

The financial statements on pages 10 to 24 were approved by the Board of Trustees and authorised for issue on 15th May 2024 and are signed on its behalf by:



Mr Mark Rushton



Professor James Tooley

Notes to the Financial Statements

1 ACCOUNTING POLICIES

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).

World events affected all economies during 2023, causing investment values to fluctuate, affecting overall investment returns. The Trustees consider that fluctuations in investment valuations do not affect going concern and that the risks to the Foundation are limited to the impact on the value of investment returns it can distribute to the University in grants, to support scholarships and bursaries.

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 and are therefore confident that the Foundation's outlook remains 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.

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:

- 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.
- Restricted expendable endowments – the donor has specified a particular objective, and the Foundation has the power to use the capital.
- Restricted donations – the donor has specified that the donation must be used for a particular purpose.
- Unrestricted donations – the donor has not specified the use of the donation and it can be used for the general benefit of the Foundation.

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.

Notes to the Financial Statements (continued)

Funds

Permanent endowments are funds which are restricted to the extent the Foundation cannot drawdown 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.

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 a corresponding notional recharge is reflected in these financial statements to recognise the cost of the services provided.

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

Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between activities on a basis consistent with the use of resources.

Investments

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

Cash deposits at banks, intended to be held more than three months and up to twelve months, are 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.

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.

The Foundation has taken the advantage of the triennial amendments to FRS102 that are applicable for entities renting properties to fellow group entities and hold the carrying value from the transition date as deemed cost, rather than fair value each year, and depreciating such deemed cost as per its estimated useful life.

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

Notes to the Financial Statements (continued)

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.

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.

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.

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.

Notes to the Financial Statements (continued)

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:

- **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 2023.
- **Depreciation of investment properties:**
The Trustees have been required to estimate the allocation of the deemed cost of investment properties between land, which is not depreciated, and buildings. Following consultations with property professionals and considering statutory provisions and market research, the Trustees consider that 20% of the deemed cost relates to land and 80% to buildings, which is depreciated.
- **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.

2 DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Donations received	262	155,470	244,976	400,708	25,982
Donated services provided by The University of Buckingham	56,000	-	-	56,000	40,000
Total	56,262	155,470	244,976	456,708	65,982

In the year to 31 December 2022, £25,982 in donations were received from third parties and were allocated as follows: £25,470 to Restricted funds and £512 to Unrestricted Funds. Donated Services provided by the University of Buckingham in the year ended 31 December 2022 were allocated entirely to Unrestricted Funds.

3 INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds £	Total 2023 £	Total 2022 £
Rental income from properties	61,200	61,200	61,200

This income was recognised in the Gregory Restricted Fund in both years.

Notes to the Financial Statements (continued)

4 INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Deposit account interest	8,834	-	8,834	1,763
Dividends from listed investments	-	67,400	67,400	64,070
Total	8,834	67,400	76,234	65,833

In the year to 31 December 2022, £1,763 in income from deposit account interest was generated, allocated as follows: £1,654 to Restricted Funds and £109 to Unrestricted funds. Dividends from listed investments of £64,070 were allocated to Restricted Funds.

5 EXPENDITURE ON RAISING FUNDS

	Total 2023 £	Total 2022 £
Fees charged by Waverton Investment Managers	18,757	17,926

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. These fees were charged to Restricted Funds.

6 EXPENDITURE ON CHARITABLE ACTIVITIES

Grants to the University are 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.

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 tables below analyse the charitable activities of the Foundation. The Foundation itself does not make direct disbursements to beneficiaries. All 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.

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Scholarships	11,592	52,341	15,440	79,373
Prizes	179	1,049	-	1,228
Grants	44,304	259,063	-	303,367
Total	56,075	312,453	15,440	383,968

Notes to the Financial Statements (continued)

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

2022	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Scholarships	3,930	23,301	19,300	46,531
Prizes	43	471	-	514
Grants	36,084	391,134	-	427,218
Total	40,057	414,906	19,300	474,263

	Grant funding activities £	Support Costs £	2023 Total £	Grant funding activities £	Support Costs £	2022 Total £
Scholarships	64,589	14,783	79,373	40,701	5,830	46,531
Prizes	1,000	229	1,229	450	64	514
Grants	246,864	56,503	303,367	373,689	53,529	427,218
Total	312,453	71,515	383,968	414,840	59,423	474,263

Analysis of support costs	Total 2023 £	Total 2022 £
Bank and other charges	75	123
Depreciation	15,440	19,300
Governance costs	56,000	40,000
Total	71,515	59,423

No staff were employed directly by the Foundation (2022: nil) as governance costs were donated by the University. The Foundation have valued these donated services at £56,000 (2022: £40,000), which includes auditors' remuneration of £9,000 (2022: £10,000).

Notes to the Financial Statements (continued)

7 TANGIBLE ASSETS

	Investment properties £
At 1 January 2023	965,000
At 31 December 2023	965,000
Accumulated Depreciation	
At 1 January 2023	(95,900)
Depreciation charge for the year	(15,440)
At 31 December 2023	(111,340)
Net Book Value	
At 31 December 2023	853,660
At 31 December 2022	869,100

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. From 2023, the property cost has been split between land at 20% of the cost, which is not depreciated, and buildings at 80% of the cost, which is depreciated.

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.

8 FIXED ASSET INVESTMENTS

	2023 £	2022 £
Listed investments	3,111,935	2,864,775
Cash held by Investment Manager	46,054	80,849
Balance at 31 December	3,157,989	2,945,624
Listed investments – summary of transactions		
Balance at 1 January	2,864,775	2,383,522
Purchases	331,656	1,069,934
Sales	(316,586)	(326,081)
Net gains/(losses) on investments	232,090	(262,600)
Balance at 31 December	3,111,935	2,864,775

Of the total investment gains, £11,383 (2022: £13,095 loss) relates to investments held on behalf of the University of Buckingham until 31 December 2023, at which date the investments were formally transferred to the Foundation.

Notes to the Financial Statements (continued)

8 FIXED ASSET INVESTMENTS (continued)

Listed investments – geographic analysis	2023 £	2022 £
UK bonds	678,365	535,912
UK equities	248,793	307,950
Continental European equities	308,758	357,921
North American equities	1,013,584	758,750
Japanese equities	269,967	234,863
Asia Pacific equities	49,168	86,822
Emerging market equities	43,698	45,115
Alternatives	499,602	537,442
Balance at 31 December	3,111,935	2,864,775

Total investments held with Waverton investments included funds held on behalf of the University of Buckingham until they were formally transferred to the Foundation on 31 December 2023.

Analysis of funds held and invested on behalf of the University of Buckingham	2023 £	2022 £
Balance brought forward	200,824	211,497
Investment income	3,476	3,363
Investment management charges	(967)	(941)
Unrealised investment losses	11,383	(13,095)
University investment held by the Foundation	214,715	200,824
Balance of legacy to be invested	35,261	-
Scholarships awarded by the University	(5,000)	-
Transferred to the Foundation with donor approval	(244,976)	-
Balance carried forward	-	200,824

The funds held by the Foundation on behalf of the University were formally transferred to the Foundation on 31 December 2023. On transfer the net value of the legacy was treated as a new donation to the Foundation, with a permanent endowment fund created to hold the funds in the name of the donor, Ronald Swain.

The historic cost of investments	2023 £	2022 £
Listed investments	2,703,299	2,624,345

Notes to the Financial Statements (continued)

8 FIXED ASSET INVESTMENTS (continued)

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

The historic cost of investments	% of total market cost	2023 £	% of total market cost	2022 £
Waverton Sterling Bond Fund 'B' Inc £	10%	304,983	9%	264,928
Waverton Global Strategic Bond Fund 'I' £	8%	245,964	7%	206,460
Market value as at 31 December		550,947		471,388

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.

	2023 £	2022 £
Santander deposit account	87,388	84,615
Balance at 31 December	87,388	84,615

10 CASH IN BANK AND IN HAND

	2023 £	2022 £
Barclays current accounts	1,118,591	876,346
Barclays deposit account	388,489	321,303
Cash in transit	-	15,636
Balance at 31 December	1,507,080	1,213,285

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

11 CREDITORS: AMOUNTS FALLING DUE IN ONE YEAR

	2023 £	2022 £
Amounts owed to group and associated undertakings	1,083,764	1,002,395
Balance at 31 December	1,083,764	1,002,395

The creditors balance is the balance due to The University of Buckingham, a group undertaking. The balance is made up of £1,328,740 due to the University for Scholarships, Bursaries and other grants and prizes awarded, less £244,976 due from the University on the transfer of the Swain legacy to the Foundation on 31 December 2023.

Notes to the Financial Statements (continued)

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.

13 RELATED PARTY TRANSACTIONS

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 £56,000 (2022: £40,000) made up of business administration services, including external audit services of an estimated value of £9,000 (2022: £10,000). A restricted donation of £100 to the Dickens Online Journal fund was received from Amanda Nicolson, a trustee, during the year (2022: £100).

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £
Fixed assets:				
Tangible assets	-	-	853,660	853,660
Investments	-	-	3,157,989	3,157,989
Current assets:				
Investments	-	87,388	-	87,388
Cash in bank and in hand	49,081	1,310,319	147,680	1,507,080
Creditors	-	(1,083,764)	-	(1,083,764)
Total current assets	49,081	313,943	4,159,329	4,522,353

2022	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
Fixed assets:				
Tangible assets	-	-	869,100	869,100
Investments	-	-	2,945,624	2,945,624
Current assets:				
Investments	-	84,615	-	84,615
Cash in bank and hand	40,060	1,026,356	146,869	1,213,285
Creditors	-	(801,572)	(200,823)	(1,002,395)
Total current assets	40,060	309,399	3,760,770	4,110,229

Notes to the Financial Statements (continued)

15 MOVEMENT IN FUNDS

Movement in funds 2023	At 1 Jan 2023 £	Incoming resources £	Net gain on investment £	Transfers £	Outgoing resources £	At 31 Dec 2023 £
Permanent endowments:						
Gregory	1,661,016	-	101,375	-	(15,440)	1,746,951
Ondaatje	419,528	-	23,802	-	-	443,330
Swain	-	244,976	-	-	-	244,976
Brunner	138,758	-	8,032	-	-	146,790
Weston 1997	107,823	-	6,199	-	-	114,022
Weston 1999	193,731	-	11,214	-	-	204,945
Other	300,750	-	17,341	-	-	318,091
Total permanent endowments	2,821,606	244,976	167,963	-	(15,440)	3,219,105
Expendable endowments						
Desborough	611,501	-	35,397	-	-	646,898
Coase	327,164	-	17,318	(51,684)	-	292,798
Other	499	-	29	-	-	528
Total expendable endowments	939,164	-	52,744	(51,684)	-	940,224
Total endowment funds	3,760,770	244,976	220,707	(51,684)	(15,440)	4,159,329
Restricted funds:						
Gregory	127,526	92,158	-	-	(28,849)	190,835
Ondaatje	415	7,269	-	-	(6,023)	1,661
Brunner	2,951	2,453	-	-	(683)	4,721
Weston 1997	1,542	1,893	-	-	(527)	2,908
Weston 1999	4,121	3,425	-	-	(953)	6,593
Desborough	13,009	10,810	-	-	(3,007)	20,812
Coase	(21,626)	5,289	-	51,684	(35,347)	-
Klatten	117,395	-	-	-	(117,395)	-
Other restricted funds	64,066	160,774	-	-	(138,427)	86,413
Total funds carried forward	309,399	284,071	-	51,684	(331,211)	313,943
Unrestricted funds	40,060	65,096	-	-	(56,075)	49,081
Total	4,110,229	594,143	220,707	-	(402,726)	4,522,353

The transfer of £51,684 on the Coase expendable endowment relates to a transfer of funds to the Coase Restricted fund, to fund the balance of accumulated expenditure to 31 December 2023.

At the date of the signing of these accounts progress has been made on the review of Endowment and Restricted Funds, and the presentation of income and expenditure associated with Endowment Funds. The work is anticipated to conclude in 2024 after further verification work has been completed.

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.

Notes to the Financial Statements (continued)

15 MOVEMENT IN FUNDS (continued)

Gregory	Scholarships in Business, Humanities and Science
Brunner	Scholarships in Business and Law
Ondaatje	Scholarships for postgraduate study
Weston	Scholarships in Business and Law
Swain	Scholarships across all subject areas
Desborough	Scholarships and funding for Business Studies
Other	Scholarships and prizes across all subject areas

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.

Movement in Funds 2022	At 1 Jan 2022	Incoming resources	Net gain on investment	Outgoing resources	At 31 Dec 2022
	£	£	£	£	£
Permanent endowments:					
Gregory	1,791,226	-	(110,910)	(19,300)	1,661,016
Ondaatje	447,219	-	(27,691)	-	419,528
Brunner	147,917	-	(9,159)	-	138,758
Weston 1997	114,940	-	(7,117)	-	107,823
Weston 1999	206,518	-	(12,787)	-	193,731
Other	320,601	-	(19,851)	-	300,750
Total permanent endowments	3,028,421	-	(187,515)	(19,300)	2,821,606
Expendable endowments					
Desborough	651,863	-	(40,362)	-	611,501
Coase	348,758	-	(21,594)	-	327,164
Other	532	-	(33)	-	499
Total expendable endowments	1,001,153	-	(61,989)	-	939,164
Total endowment funds	4,029,574	-	(249,504)	(19,300)	3,760,770
Restricted Funds:					
Gregory	60,355	89,848	-	(22,677)	127,526
Ondaatje	(1,706)	7,111	-	(4,990)	415
Brunner	1,254	2,355	-	(658)	2,951
Weston 1997	225	1,828	-	(511)	1,542
Weston 1999	1,752	3,288	-	(919)	4,121
Desborough	5,530	10,380	-	(2,901)	13,009
Coase	(3,542)	5,545	-	(23,629)	(21,626)
Klatten	489,582	1,355	-	(373,542)	117,395
Other restricted funds	36,386	30,684	-	(3,004)	64,066
Total funds carried forward	589,836	152,394	-	(432,831)	309,399
Unrestricted funds	39,497	40,621	-	(40,058)	40,060
Total	4,658,907	193,015	(249,504)	(492,189)	4,110,229

Notes to the Financial Statements (continued)

16 OPERATING LEASES

	2023 £	2022 £
Rent receivable within 1 year	61,200	-
Rent receivable after 1 year but within 5 years	163,200	-
Balance at 31 December	224,400	-

Operating leases relate to the rental of tangible fixed assets to the University to be used as student accommodation. The formal lease expired in 2022 and was renewed in 2023.

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 or senior executives 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:

1. 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.
2. 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.