

SWIRE CHINESE LANGUAGE FOUNDATION
(a Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023

Company number: 10177824

Charity number: 1171995

SWIRE CHINESE LANGUAGE FOUNDATION

I N D E X

Year ended 31 July 2023

	Page
General information	2
Report of the Trustees	3
Auditor's report	7
Statement of financial activities (including an income and expenditure account)	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13

SWIRE CHINESE LANGUAGE FOUNDATION

GENERAL INFORMATION

Year ended 31 July 2023

Incorporated	12 May 2016
Charity number	1171995
Company number	10177824
Directors and Trustees	Professor Kristine Black-Hawkins (Independent) Professor Jane Duckett (Independent) John B Rae-Smith Samuel C Swire (Chairman) Dr Christian Toennesen (Independent) Edward Watson (Executive Director)
Objects	The advancement of education for the benefit of the public, particularly (but without limitation) by the provision of grants for the advancement of the education of school, college and university students in the Chinese language.
Auditor	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Registered address and principal office	Swire House 59 Buckingham Gate London SW1E 6AJ email: info@swireclf.org www.swireclf.org
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

SWIRE CHINESE LANGUAGE FOUNDATION

REPORT OF THE TRUSTEES

Year ended 31 July 2023

The Trustees present their report and financial statements of the charity for the year ended 31 July 2023, which includes the directors' report as required by company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and with the Companies Act 2006, the 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 (FRS102) and the Charities Act 2011. The report should be read in conjunction with the general information provided on page 2.

Swire Chinese Language Foundation "the Foundation" is a private company limited by guarantee, exempted from the requirement to use the word 'limited' in its title, incorporated on 12 May 2016 and registered as a charity. The company is governed by its memorandum and articles of association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Aims

The Foundation aims to broaden the reach and spread of teaching Mandarin Chinese in the United Kingdom.

In support of this, the Foundation aims to encourage and enable the initial and ongoing training of teachers, and the continuing improvement in the quality of their teaching. Secondly, as a consequence of pupils learning Chinese and being given the opportunity to participate in school trips to China, the Foundation aims to improve their social mobility, particularly for those from deprived backgrounds.

Structure, Governance and Management

The Foundation is overseen by a Board of Trustees, who are Directors for the purpose of the Companies Act 2006 and Trustees for the purpose of the Charities Act 2011. The Trustees are also Members of the Foundation and, as such, vote in general meetings. The Board, which is ultimately accountable for all the activities of the Foundation, is responsible for setting policy and direction, and overseeing its execution. The Executive Director is responsible for execution of that policy, running the business of the Foundation with the support of an assistant manager and a part-time assistant administrator.

Trustees are appointed by John Swire & Sons Limited, the sole funder of the Foundation, for a renewable term of five years, with due regard being taken of the specific contribution they can make to the Board and to the Foundation, and of the recommendations of existing Trustees. There are currently six Trustees, three of which are independent of John Swire & Sons Limited. New Trustees are inducted by the Executive Director and given full access to Board papers and reports. They are also required to be conversant with the relevant guidelines for trustees and company directors, published by the Government, together with the Foundation's articles of association and its latest governance guidelines.

The Board meets at least three times annually with at least three Trustees, two of which must be independent, being present.

The Chairman of the Board liaises closely with the Foundation's sole benefactor, John Swire & Sons Limited, to ensure that the latter is kept fully apprised of the Foundation's financial health and activities.

The Trustees, having regard to the Public Benefit Guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same Act.

Risk management

The Foundation maintains a risk register, which is updated and reviewed by the Board at least annually. This register identifies the main risks to which the Foundation is exposed, deriving primarily from its own activities, from the activities of the recipients of its grants and the environment in which they operate. Amongst others, these risks relate to governance, finance, administration, reputation, compliance, the political environment, social attitudes, demand for the subject, the supply of good teachers, the Foundation's processes in selecting recipients of its grants, force majeure, cyber security and the ultimate sustainability of the Swire Chinese Language Programme ("Programme").

SWIRE CHINESE LANGUAGE FOUNDATION

REPORT OF THE TRUSTEES (continued)

Year ended 31 July 2023

The Foundation updates its governance guidelines on a regular basis; it has strict controls in place regarding its finances, ensuring not only that it is funded to the extent of its commitments but also that grants are allocated within pre-agreed budgets and their use monitored termly; it seeks to maintain high standards of administration both internally and with regard to its relationships with beneficiaries; it monitors exposure to reputational risk deriving from its own activities and those of the organisations in receipt of its funds; its legal, financial and regulatory compliance is supported by its professional advisers and John Swire & Sons Limited; it monitors the political environment and social attitudes, particularly as they relate to education; it is currently supporting efforts to make the English exam regime for Chinese more inclusive; it encourages and supports the training of teachers, the quality of whom are essential to the successful fulfilment of its aims; and it has a thorough process for the selection of the recipients of its grants.

As a rule, the Foundation itself seeks out suitable such recipients, which are primarily schools. They are selected for the commitment and enthusiasm of the head and support from the governors; the capability of their management; suitable physical resources; the experience the schools have in outreach, working with local schools; the ability to reach secondary and primary pupils; the capability to make Mandarin Chinese a core-curriculum subject; their provision of in-house and external training schemes for teachers; and their willingness to offer placements for trainee teachers of Mandarin. Exceptionally it considers approaches initiated by schools that have not been approached.

Institutions in receipt of grants from the Foundation agree to a set of general terms and conditions that have been drawn up with the support of the Foundation's solicitors.

Grant-making policy

Grants are given to schools and universities for the purpose of teaching Mandarin Chinese, training teachers for this and providing support for the same. This is done through the centres set up for this purpose.

As a rule, beneficiary institutions have been sought out by the Foundation and asked to put forward proposals as to how they could establish a Chinese language centre or activity that supported the aims of the Foundation, providing a five-year budget. At least two Trustees, including the Executive Director, then, reviewed such proposals before provisional approval was given; undertook a face-to-face meeting with the head of the institutions; and approved any subsequent legal agreements between the institutions and Swire Chinese Language Foundation (SCLF).

The original and subsequent annual budgets of all institutions in receipts of grants are required to be agreed by at least three Trustees (including an independent one).

Objectives, activities for the public benefit and future plans

The object of the Charity is "the advancement of education for the benefit of the public particularly (but without limitation) by the provision of grants for the advancement of the education of school, college and university students in the Chinese language."¹

With this objective and having regard to the Charity Commission's guidance on public benefit, the Foundation has funded centres for teaching Mandarin Chinese, and training teachers of it, in a number of cities across the country.

Secondary schools, which have been chosen and are funded by the Foundation, establish and run these centres in a manner that they consider most appropriate for their local circumstances. Generally, these schools hire Mandarin teachers to teach in the host school and surrounding secondary schools. They also teach in the primary schools that feed into those secondary schools. In half of the centres both state and independent schools work in close collaboration to provide teaching of state-school pupils. Just one independent school derives any financial benefit from these arrangements. The further aim is that, as the subject becomes sufficiently embedded in the schools, these schools take on the employment of the teachers directly and thus move towards self-sustainability in their provision of the subject for the long-term.

¹ As set out in the articles of association.

SWIRE CHINESE LANGUAGE FOUNDATION

REPORT OF THE TRUSTEES (continued)

Year ended 31 July 2023

The plans of the lead schools in the various centres are subject to the approval of at least three Trustees, taking consideration of, the number of pupils and schools likely to be reached; how the subject can be fully integrated into the schools' curricula and made self-sustaining without further external funding; how logistical and timetabling issues will be addressed; the potential for the project to raise the aspirations of, and open up opportunities for, pupils from deprived backgrounds; issues relating to teaching staff, including recruitment, training, pedagogy and standards; the potential for Chinese to be taught from an introductory level through to A level in a continuum; what methods will be used to assess pupils' progress; how technology will be used to support teaching; plans for teachers and pupils to visit China; and the proposed measures of success.

In collaboration with local centres, universities have also been helped to establish and run courses for trainee Mandarin teachers seeking a postgraduate certificate in education or equivalent qualification.

The first centres started at the beginning of the 2016/17 academic year and today there are centres in Birmingham, Edinburgh, Glasgow, Gosforth, Leeds, Liverpool, London, Manchester, Newcastle, Norwich, Oxford and Sheffield, and 147 schools teaching some 23,000 pupils from the ages of four to eighteen. Many of these schools are located in areas of considerable deprivation. It is sadly the case that the Liverpool centre will, over the next year, be winding down its Mandarin teaching provision following continued challenges on the recruitment front which have impacted its ability to reach a sustainable position for the long-term.

The Foundation continues to encourage the development of the increasingly dynamic network of schools within the Programme; collaboration with local universities; the raising of teaching standards through action research within centres and collaboration between them; and the efforts of its centres to become self-sustaining. It also launched a new online platform for resources for teaching of Mandarin Chinese in the summer of 2023. This aims to support teachers and help develop a sense of community amongst them. The Foundation has continued to press sufficient changes to be made to the A level Chinese exam to make it accessible for the non-native learner. In addition, it continues to develop its methodology for measuring the impact of its grants and closely monitors the outputs and outcomes from the funded activities of its centres. In doing so, the issue of sustainability is kept front of mind.

Financial Review

The Foundation is entirely funded by John Swire & Sons Limited, which contributed £2,202,325 (2022 - £2,544,306) to the Foundation during the financial period. The Foundation, in turn, made total commitments for £3,119,665 (2022 - £2,585,927) of grants payable and incurred expenses of £29,011 (2022 - £14,453) during the period. At the end of the period the reserves available for general purposes stood at £3,028,717 (2022 - £3,767,081). There are no restricted reserves. The Statement of Financial Activities is shown on page 10.

John Swire & Sons Limited has committed to fund the Foundation for ten years from 1 August 2016. At the start of the academic year the Foundation submits a request for funding for the amount of its own commitments to its centres and its expected expenses. These commitments are generally for three years and, at the end of each year, extended for a further year. The Foundation has a policy to ensure that it has reserves at any time to cover those commitments and John Swire & Sons Limited has committed to support this policy. The commitments not provided for as a liability in the period are detailed in note 9.

All centres are required to plan for self-sufficiency in their teaching of Mandarin and so are expected to no longer require funding at a certain point in the future, which point will vary from centre to centre. The centres therefore plan their budgets out to 2026 and the Foundation takes account of these in its own planning, which is based on a ten-year profile of grant making. The uncertainties involved in such planning are recognised and due account taken of them.

SWIRE CHINESE LANGUAGE FOUNDATION

REPORT OF THE TRUSTEES (continued)

Year ended 31 July 2023

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. 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 of the Charities Statement of Recommended Practice;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the Trustees, having made enquiries of fellow Trustees and the Foundation's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Declaration

I declare in my capacity of charity Trustee that:

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



S C SWIRE
Chairman of Trustees

14th December 2023

SWIRE CHINESE LANGUAGE FOUNDATION

A U D I T O R ' S R E P O R T

Year ended 31 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SWIRE CHINESE LANGUAGE FOUNDATION

Opinion

We have audited the financial statements of the Swire Chinese Language Foundation (the 'charitable company') for the year ended 31 July 2023, which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, 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).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

SWIRE CHINESE LANGUAGE FOUNDATION

A U D I T O R ' S R E P O R T

Year ended 31 July 2023

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' annual 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company by considering, amongst other things, the sector in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

SWIRE CHINESE LANGUAGE FOUNDATION

AUDITOR'S REPORT

Year ended 31 July 2023

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Charity Law, UK tax legislation and the Charities Act 2011.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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 auditor's report.

Use of our report

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



Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS
20 December 2023

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

SWIRE CHINESE LANGUAGE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account)

Year ended 31 July 2023

	Note	2023 £	2022 £
Income and endowments from:			
Donations and legacies	3	2,202,325	2,544,306
Interest		207,987	31,677
Total income		<u>2,410,312</u>	<u>2,575,983</u>
Expenditure on:			
Raising funds		10,188	4,199
Charitable activities	4	3,138,488	2,596,181
Total resources expended		<u>3,148,676</u>	<u>2,600,380</u>
Net expenditure		<u>(738,364)</u>	<u>(24,397)</u>
Total unrestricted income funds at 31 July 2022		3,767,081	3,791,478
Total unrestricted income funds at 31 July 2023 (page 11)		<u>3,028,717</u>	<u>3,767,081</u>

All amounts were derived from continuing activities.

The Foundation has no recognised gains or losses other than those included above.

The notes and accounting policies on pages 13 to 17 form part of these accounts.

BALANCE SHEET

At 31 July 2023

	Note	2023 £	2022 £
Fixed investments			
Intangible fixed assets	5	123,180	-
Current assets			
Debtors	6	67,831	20,002
Cash at bank and in hand		6,199,291	6,917,269
		6,267,122	6,937,271
Liabilities:			
Creditors: amounts falling due within one year	7	(3,361,585)	(3,170,190)
Net current assets		2,905,537	3,767,081
Net assets		3,028,717	3,767,081
Funds of the charity			
Unrestricted income funds (page 10)		3,028,717	3,767,081
Total charity funds		3,028,717	3,767,081

For the year ended 31 July 2023 the Foundation was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in part 15 of the Companies Act 2006.

The accounts on pages 10 to 17 were approved by the Trustees on 14th December 2023 and were signed on their behalf by:-



S C SWIRE
Chairman

SWIRE CHINESE LANGUAGE FOUNDATION

STATEMENT OF CASH FLOWS

Year ended 31 July 2023

	2023 £	2022 £
Net movement in funds	(738,364)	(24,397)
Deduct interest from investments	(207,987)	(31,677)
Increase in debtors	(47,829)	(18,407)
Increase / (decrease) in creditors	191,395	(107,157)
Net cash used in activities	<u>(802,785)</u>	<u>(181,638)</u>
Interest from investments	207,987	31,677
Purchase of intangible fixed assets	(123,180)	-
Net cash provided by investing activities	<u>84,807</u>	<u>31,677</u>
Change in cash and cash equivalents	(717,978)	(149,961)
Cash and cash equivalents brought forward	<u>6,917,269</u>	<u>7,067,230</u>
Cash and cash equivalents carried forward	<u>6,199,291</u>	<u>6,917,269</u>

SWIRE CHINESE LANGUAGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

1. Accounting policies

The principal accounting policies adopted, and areas of judgement and key sources of estimation uncertainty in the preparation of the financial statements, are as follows:

(a) Basis of preparation and assessment of going concern

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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Swire Chinese Language Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern for the next 12 months and the foreseeable future based on the commitment from John Swire & Sons Limited to continue to fund the Foundation for the next four years.

(b) Fund accounting policy

Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

(c) Incoming resources

All income is recognised in the statement of financial activities when the Swire Chinese Language Foundation has:

- entitlement to the income;
- it is probable that the income will be received; and
- the amount of the income can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of the amount of income that will be given.

(d) Expenditure recognition

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Foundation. This is accrued once the recipient has been notified of the grant award and provided the termination clause has not been exercised.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Cost of raising funds

The costs of raising funds consist of investment management fees.

(g) Intangible fixed assets

Intangible fixed assets include the development costs of licences for software and are initially recognised at historical cost. Amortisation is charged on a straight line basis to the Statement of Financial Activities over the expected period of the useful life which is presumed to be no more than ten years. Amortisation is charged once the asset is operational.

SWIRE CHINESE LANGUAGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

1. Accounting policies (continued)

(h) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Legal status and staff numbers

The Foundation is a company limited by guarantee, incorporated in England and Wales, and has no share capital. The Foundation's registered address is Swire House, 59 Buckingham Gate, London, SW1E 6AJ.

The average number of persons employed by the company during the year was 0 (2022 - 0).

3. Income from donations	2023 £	2022 £
Donations and legacies		
Donations from John Swire & Sons Limited	2,202,325	2,544,306
Donations and legacies in both years relate to unrestricted income.		

4. Analysis of charitable expenditure

The charity does not undertake any activity directly but meets its charitable purposes by making donations and grants.

	2023 £	2022 £
The Belvedere Academy, as lead school of the Swire Chinese Language Centre, Liverpool	29,572	120,587
George Watson's College, as lead school of the Swire Chinese Language Centre, Edinburgh	323,996	323,520
The Gorse Academies Trust, as lead school of the Swire Chinese Language Centre, Leeds	501,107	332,115
Gosforth Academy, as lead school of the Swire Chinese Language Centre, Gosforth	241,754	270,625
Harris Federation, as lead school of the Swire Chinese Language Centre, London	490,872	398,094
Jordanhill School, as lead school of the Swire Chinese Language Centre, Glasgow	157,941	123,306
Carried forward	1,745,242	1,568,247

(continued)

SWIRE CHINESE LANGUAGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

4. Analysis of charitable expenditure (continued)	2023	2022
	£	£
Brought forward	1,745,242	1,568,247
King Edward VI Aston School, as lead school of the Swire Chinese Language Centre, Birmingham	220,235	267,360
The Manchester Grammar School, as lead school of the Swire Chinese Language Centre, Manchester	274,879	240,065
Newcastle High School for Girls, as lead school of the Swire Chinese Language Centre, Newcastle	234,766	198,777
Norwich School, as lead school of the Swire Chinese Language Centre, Norwich	171,733	75,299
The Queen's College, Oxford	2,000	2,000
Oxford University Department of Education (Lecturer)	28,282	-
St Peter's College Radley, as lead school of the Swire Chinese Language Centre, Oxford	347,049	183,322
Tapton School, as lead school of the Swire Chinese Language Centre, Sheffield	95,479	50,857
Total donations	3,119,665	2,585,927
<i>Governance costs allocated to charitable activities:</i>		
Accountancy fees – accounts	565	565
Accountancy fees – audit	6,347	5,663
Other professional fees	48	793
Website costs	3,162	180
Travel costs	4,497	2,701
Bank charges	141	20
Sundry expenses	4,063	-
Entertaining	-	332
Total governance costs	18,823	10,254
Total resources expended	3,138,488	2,596,181

SWIRE CHINESE LANGUAGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

5. Intangible fixed assets	Licences	Total
	£	£
Cost		
At 1 August 2022	-	-
Additions	123,180	123,180
At 31 July 2023	123,180	123,180
Amortisation		
At 1 August 2022	-	-
Charge for the year	-	-
At 31 July 2023	-	-
Net book value		
Charge for the year	-	-
At 31 July 2023	123,180	123,180
6. Debtors	2023	2022
	£	£
Accrued income	67,831	20,002
7. Creditors	2023	2022
	£	£
Amounts falling due within one year		
Grants payable	3,265,557	3,160,918
Other creditors	96,028	9,272
	3,361,585	3,170,190

8. Related party transactions

During the year John Swire & Sons Limited, a company in which three of the Trustees have a participating interest, paid expenses on the Foundation's behalf totalling £3,210 (2022 - £2,677). During the year the Foundation repaid expenses of £2,677 (2022 - £792). At the year-end £7,523 was owed to (2022 - £2,677) John Swire & Sons Limited.

The Foundation received donations during the year of £2,202,325 (2022 - £2,544,306) from John Swire & Sons Limited without conditions attached.

During the year the Foundation incurred costs relating to the development of software under a licence agreement with Swire Shipping Pte Limited, a company in which two of the Trustees have a participating interest for a cost of £115,080. At the year-end £80,556 (2022 - £nil) was owed to Swire Shipping Pte. Limited.

During the year, the Trustees received no remuneration for their services as Trustees. Travel costs of £3,582 (2022 - £2,701) were met for three of the Trustees (2022 - one), no accommodation costs were paid on behalf of any trustee (2022 - £nil) and subsistence costs of £nil (2022 - £332) were met for none of the Trustees (2022 - six).

SWIRE CHINESE LANGUAGE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 July 2023**

9. Contingent liability

At the Balance Sheet date, the Foundation had recognised nine months of grants payable subject to a termination clause. The additional grants payable, contingent on the termination clause not being exercised in the next three academic years, total £4,890,597 (2022 - £5,741,953).

10. Financial assets and financial liabilities

The following are financial assets and liabilities that qualify as basic financial instruments and are initially recognised at transaction value and subsequently measured at their amortised cost.

Financial assets	2023	2022
	£	£
Cash	6,199,291	6,917,269
	<u>6,199,291</u>	<u>6,917,269</u>
Financial liabilities		
Grants payable	3,265,557	3,160,918
Other creditors	96,028	9,272
	<u>3,361,585</u>	<u>3,170,190</u>
