

THE HINCHINGBROOKE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE HINCHINGBROOKE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr P Cox, Vice chair, former Governor of St Peter's School
Mr P Fenney, Chair of Trustees
Mr M Paterson, Principal of Hinchingsbrooke School
Mr A Butler, Representing Huntingdon Almshouse Charity
Mr M Joyner, former Governor of Hinchingsbrooke School
Mr T R Wheeley, Teacher Hinchingsbrooke School
Mr J E Brown, Governor of Hinchingsbrooke School
Mr J Leaver, former Governor of St Peter's School
Mrs M Bartimus, former Governor of Hinchingsbrooke School
Ms L Inskip, former student at Hinchingsbrooke School
Mr P Sadler, Governor of St Peter's School

Charity number

1188401

Principal address

c/o Hinchingsbrooke School
Brampton Road
Huntingdon
Cambridgeshire
United Kingdom
PE29 3BN

Auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Solicitors

Roythornes
The Incubator
Alconbury Enterprise Campus
Huntingdon
Cambridgeshire
PE28 4XA

Investment advisors

CCLA Fund Managers Limited
One angel Lane
London
EC4R 3AB

THE HINCHINGBROOKE FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 5
Statement of Trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10 - 11
Balance sheet	12
Notes to the financial statements	13 - 22

THE HINCHINGBROOKE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

It is the policy of the Trustees to provide benefits in accordance with the objects of The Hinchingsbrooke Foundation and to have regard, so far as possible, to maintaining the value of the capital of the Foundation in the interests of future as well as current beneficiaries. Trustees budget on a conservative basis, seeking to match expenditure to annual income. Where grants in excess of annual income have been awarded for large scale building projects, prior arrangements have been made with the Charity Commission for replacement of capital so used. In addition, Trustees have agreed advances of annual grants from unrestricted reserves to assist capital renovations.

b. Activities for achieving objectives

The Hinchingsbrooke Foundation is a grant-giving educational charity. Funding is provided to Hinchingsbrooke, St Peter's and Spring Common schools and to local voluntary organisations working for the benefit of young people in the Huntingdon area.

The Trustees award bursaries to young people under the age of 25 who have attended a school or college in the Huntingdon area for at least two years to assist with their education and development.

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

c. Grant making policies

The Trustees have a collective responsibility to ensure funds are disbursed appropriately. Grants awarded to secondary schools and further education colleges in Huntingdon may provide special benefits of any kind for the school as may from time to time be determined by its governors. Trustees may award Hinchingsbrooke School not more than one-third of the net income for the year.

Trustees generally consider appeals from local voluntary organisations from written applications and reports of their activities. Support for organisations working for and with young people assists the education, development and well-being of young people outside school.

THE HINCHINGBROOKE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

a. Investment policy and performance

The Foundation's quoted investments are managed by CCLA on a Discretionary Investment Management Service. As at 31st March the portfolio is 96% is invested in the Common Investment Fund and 4% in the Property Fund. CCLA manage three portfolios namely the Permanent Endowment, Unrestricted and Restricted Fund for Prizes.

The Trustees have a balanced attitude to risk and are therefore prepared to accept investment risk in order to achieve the longer-term objectives of the Foundation.

The purpose of the Permanent Endowment Fund is to maintain and enhance the real value (as measured by CPI) in perpetuity. The Trustees are happy to receive the natural income yield of the underlying investments held in the portfolio. The capital from the fund cannot be used to fund expenditure.

The purpose of the Unrestricted Fund and Restricted Fund is to maintain and enhance the real value (as measured by CPI) over the longer-term (10 + years). The Trustees are happy to receive the natural income yield of the underlying investments held in the portfolio. The capital from the fund can be used to fund expenditure.

The objective of each portfolio is to achieve a return of CPI + 4% per annum net of fees on a 5-year rolling basis. There is an annual income target of £250,000 from the combined portfolios, which is reviewed by Trustees annually.

Total resources arising to the Foundation in 2022/23 were £297,071 (prior year £290,847). A 3.00% return was achieved on the market value of holdings at the year end. There were no changes to the Foundation's investment land holdings during the year, of £374,780. No value is attributed to the School site as no value could be realised.

Details of the investments of the Foundation at 31 March 2023 and of the movements during the year ended on that date will be found on page 12 as well as in the Notes to the Financial Statements on pages 13 to 22.

b. Charitable contributions

£224,263 of income was distributed across a range of schools, local voluntary organisations and individuals in the Huntingdon area including:

- 34 individual bursaries to students to assist with their education in the sum of £33,332
- 10 grants to local groups including Fusion, Kite Trust, Huntingdon Gym, Huntingdon Basketball and Hinchingsbrooke Scouts of £31,789
- To Hinchingsbrooke School, St Peter's School and Spring Common School grant payments of £135,166 to allow the respective schools to provide additional benefits and assistance for their students.
- £4,000 each to Hinchingsbrooke School and St Peter's School as Hardship Fund Bursary payment to help students with unexpected costs such as transport or uniforms
- £20,000 of the Hinchingsbrooke School grant was retained as capital repayment on a current loan advance of £133,000 for various projects at the School. The advance is due for repayment in 2028/2029.
- An advance of grant of £50,000 was made to St Peter's School in May 2022 for the refurbishment of an existing building to provide additional teaching facilities. £15,000 of the grant was retained as capital repayment on this advance which is due for repayment in 2025/2026.
- An annual grant of £5,000 is awarded to the St John's Almshouse Charity in Huntingdon. This grant was used to meet the capital repayment and interest charged on the reducing balance of the £50,000 loan made to the charity to renovate the Almshouses in 2011. The loan was repaid in January 2023 with a deduction of £1,917.43 for capital and interest and a payment of £3,082.57 to the charity. Trustees agreed to increase the annual grant to £10,000 from 2023/2024 until further notice.

THE HINCHINGBROOKE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Reserves policy

Other than noted below it is the current policy to disburse the annual income in line with the objectives and grant making policies of the charity. As such it is not the intention to accumulate a level of reserves other than to ensure the ability to repay the £14,200 repayment to the deferred grant account as noted under (c) below.

Following the change of status of Hinchingsbrooke School from Local Authority Controlled School to Academy in 2011 and the subsequent 125-year lease from the Foundation to the school for Hinchingsbrooke House it was agreed that a reserve property fund of £100,000 was designated, from Unrestricted Funds, for drawdown if required for repairs to Hinchingsbrooke House.

b. Management and administration

Income in 2022/2023 exceeded expenditure (excluding the costs of capital repayments) by £40,519. Income was 2.15% higher and charitable expenditure was 5% higher than in the previous year. Resources used for governance, administration, property maintenance and insurance of the Foundation were £32,287 versus £33,120 in the previous year.

c. Building grants

In 1997 the Charity Commission authorised Trustees' use of Permanent Endowment funds to extend a £1 million Local Authority building programme which was completed in July 1999. The Foundation's capital contribution of £850,000 is being replaced from annual income over sixty years in accordance with Charity Commission requirements. This commenced in 1999/2000 with a payment of £12,200. From 2000/01, annual payments are made at the rate of £14,200 for 59 years. The current balance is £326,200 (2021: £340,400)

Structure, governance and management

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

Mr P Cox, Vice chair, former Governor of St Peter's School
Mr P Fenney, Chair of Trustees
Mr M Paterson, Principal of Hinchingsbrooke School
Mr A Butler, Representing Huntingdon Almshouse Charity
Mr M Joyner, former Governor of Hinchingsbrooke School
Mr T R Wheeley, Teacher Hinchingsbrooke School
Mr J E Brown, Governor of Hinchingsbrooke School
Mr J Leaver, former Governor of St Peter's School
Mrs M Bartimus, former Governor of Hinchingsbrooke School
Ms L Inskip, former student at Hinchingsbrooke School
Mr P Sadler, Governor of St Peter's School

THE HINCHINGBROOKE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

a. Constitution

The Hinchingsbrooke Foundation's charity registered number, address of its principal office and names of all its trustees are detailed on the administrative details pages of these financial statements. The Foundation is a Charitable Incorporated Organisation (CIO) approved by the Charity Commission in March 2020.

The Charity Commission approved the transfer and legal title of the investments and land from the Official Custodian to the CIO on 8th June and 19th June 2020 respectively.

The Constitution of the Charity states a financial contribution to the St John's Almshouse Charity is required to be made after which the Trustees may apply the net annual income after administration expenses in the following manner:

- In providing special benefits of any kind for Hinchingsbrooke School not exceeding one third of net annual income;
- In providing other education benefits for young people under the age of twenty-five who live in Huntingdon, Godmanchester and the neighbouring area. This may be discharged by making financial awards to enable them to further their education or to voluntary organisations in the area whose objects are compatible with those of the Foundation;
- In providing special benefits of any kind for any other Secondary School serving the area.

b. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who have been elected under the terms of the CIO. Trustees are nominated by the Chairman of Trustees and appointed for a term of four years by resolution of the Trustees.

The Trustee body comprises between seven and twelve Trustees including the Principal of Hinchingsbrooke School, one School Governor from Hinchingsbrooke School and one representative (if available) from St John's Almshouse Charity in Huntingdon. Other Trustees are drawn from local community organisations and schools/ colleges who serve in a personal capacity only.

No person shall act as a Trustee until he or she has signed a declaration of acceptance and of willingness to act in the CIO. On appointment, Trustees receive regular reports on the management of The Hinchingsbrooke Foundation finances and the legal requirements of Trustees who develop their knowledge and understanding through personal study and peer group discussion at Trustees meetings.

At the end of the year the Trustee Body consisted of one Trustee nominated by the Trustees of the St John's Almshouse Charity; The Principal of Hinchingsbrooke School, One School Governor from Hinchingsbrooke School and eight other appointments made in accordance with the Constitution.

c. Pay policy for senior staff: The Charity does not employ any staff directly and therefore has no such policy.

THE HINCHINGBROOKE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

d. Organisational structure and decision making

- Trustees agree to meet three times a year to consider appeals received from eligible local community organisations and to review the investment and disbursement of Foundation funds and management of property and facilities.
- In addition, Trustees have appointed a Bursary Committee to consider, three times a year, applications for grants / bursaries from individuals
- A Foundation Management Committee from among them can be convened to consider issues on behalf of the full body, as necessary.
- In August 2011, the Trustees agreed terms for a lease to the Academy school of the property owned by the Foundation for a period of 125 years, having first commissioned a Report under Section 36 (1) of the 1993 Charities Act from Chartered Surveyors, Carter Jonas, in respect of the disposition. This Report concluded that a transfer of property maintenance and repair responsibilities from the County Council to the Academy Foundation did not place the Foundation in a worse position than before the disposition.
- In exercising their responsibilities, the Foundation Trustees have a duty to ensure that they avoid any conflict of interest or duty with their roles as Governors of Hinchingsbrooke School or St Peter's School.
- The Trustees appoint a Manager to administer the Foundation. The Manager is Mr A Henderson, and this appointment was confirmed by the Trustees for a further 3 years from 1 July 2021. The Foundation Manager's responsibilities include all aspects of governance and financial management
- ACES Academy Trust, a Multi Academy Trust (MAT) was formed in January 2018 to replace the former Academy. It was agreed, following legal advice, that no changes were required to the lease arrangements with Hinchingsbrooke School, which continues to occupy the school property on a 125-year lease.
- As regards the representation of the Foundation on the MAT, it was agreed that the Foundation will have two representatives, one to sit on the MAT board and one to sit on Hinchingsbrooke's Local Governing Body.
- It was further agreed that grants to Hinchingsbrooke School would be for the exclusive benefit of that school and not the MAT.

e. Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate exposure to the major risks. The capacity of the Foundation to sustain its grant-awarding function is largely dependent on the income flow from its investments. In assessing external risks, the Trustees agree an annual budget for grants in the light of expected income, monitor income and expenditure throughout the year and review their Risk Register and investment and reserves policy annually. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and by the annual statutory audit conducted. Accounting processes are set out in an operations manual. Risk of deterioration to the property estate is mitigated by steps taken by Trustees to assist the School in its responsibilities.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mr P Cox, Vice chair, former Governor of St Peter's School
Trustee

Date: 12th July 2023

THE HINCHINGBROOKE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HINCHINGBROOKE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HINCHINGBROOKE FOUNDATION

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

THE HINCHINGBROOKE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HINCHINGBROOKE FOUNDATION

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE HINCHINGBROOKE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HINCHINGBROOKE FOUNDATION

Other matters

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

13.7.2023
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Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HINCHINGBROOKE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Income from:						
Donations and legacies	3	-	-	-	-	50
Investments	4	17,291	4,191	275,589	297,071	290,797
Total income and endowments		17,291	4,191	275,589	297,071	290,847
Expenditure on:						
Charitable activities	5	253,052	3,500	-	256,552	244,276
Other	10	-	-	14,200	14,200	14,200
Total expenditure		253,052	3,500	14,200	270,752	258,476
Net gains/(losses) on investments	11	(17,134)	(5,549)	(425,459)	(448,142)	805,375
Net (outgoing)/incoming resources before transfers		(252,895)	(4,858)	(164,070)	(421,823)	837,746
Gross transfers between funds		261,389	-	(261,389)	-	-
Net movement in funds		8,494	(4,858)	(425,459)	(421,823)	837,746
Fund balances at 1 April 2022		636,563	156,096	10,104,522	10,897,181	10,059,435
Fund balances at 31 March 2023		645,057	151,238	9,679,063	10,475,358	10,897,181

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

All income and expenditure derive from continuing activities.

THE HINCHINGBROOKE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:					
Donations and legacies	3	-	50	-	50
Investments	4	18,494	3,906	268,397	290,797
Total income and endowments		18,494	3,956	268,397	290,847
Expenditure on:					
Charitable activities	5	241,476	2,800	-	244,276
Other	10	-	-	14,200	14,200
Total expenditure		241,476	2,800	14,200	258,476
Net gains/(losses) on investments	11	34,889	11,300	759,186	805,375
Net (outgoing)/incoming resources before transfers		(188,093)	12,456	1,013,383	837,746
Gross transfers between funds		254,198	-	(254,198)	-
Net movement in funds		66,105	12,456	759,185	837,746
Funds transferred on conversion to CIO		570,458	143,640	9,345,337	10,059,435
Fund balances at 31 March 2022		636,563	156,096	10,104,522	10,897,181

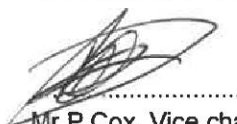
THE HINCHINGBROOKE FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investment properties	12	364,780		364,780	
Investments	13	9,546,870		9,980,812	
			9,911,650		10,345,592
Current assets					
Debtors	15	474,201		475,245	
Cash at bank and in hand		98,057		82,164	
			572,258		557,409
Creditors: amounts falling due within one year	16	(8,550)		(5,820)	
Net current assets			563,708		551,589
Total assets less current liabilities			10,475,358		10,897,181
Capital funds					
Endowment funds - general	17	9,679,063		10,104,522	
Income funds					
Restricted funds	18	151,238		156,096	
<u>Unrestricted funds</u>					
Designated funds	19	100,000		-	
General unrestricted funds		545,057		636,563	
			645,057		636,563
			10,475,358		10,897,181

The financial statements were approved by the Trustees on 12th July 2023



Mr P Cox, Vice chair, former Governor of St Peter's School
Trustee

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Hinchingsbrooke Foundation ("the Foundation") is a charitable incorporation organisation, registered with the Charity Commission, with the Charity Registration Number 1188401.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's Trust deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Foundation is a Public Benefit Entity as defined by FRS 102.

The Foundation has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Foundation.

1.4 Income

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

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

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

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants funded from the endowment with the permission of the Charity Commission on the understanding that the endowment will be reimbursed have been treated as multi-year grants with the proportion relating to future years' reimbursement treated as a deferred cost.

1.6 Investment properties

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

1.7 Fixed asset investments

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Total	Restricted funds
	2023	2022
	£	£
Donations and gifts	-	50

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Rental income	-	-	5,718	5,718
Income from listed investments	13,226	4,191	269,871	287,288
Interest	4,065	-	-	4,065
	<u>17,291</u>	<u>4,191</u>	<u>275,589</u>	<u>297,071</u>
	<u><u>17,291</u></u>	<u><u>4,191</u></u>	<u><u>275,589</u></u>	<u><u>297,071</u></u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds general 2022 £	Total 2022 £
Rental income	-	-	6,760	6,760
Income from listed investments	13,641	3,906	261,637	279,184
Interest	4,853	-	-	4,853
	<u>18,494</u>	<u>3,906</u>	<u>268,397</u>	<u>290,797</u>
	<u><u>18,494</u></u>	<u><u>3,906</u></u>	<u><u>268,397</u></u>	<u><u>290,797</u></u>

5 Charitable activities

	Grant funding 2023 £	Grant funding 2022 £
Grant funding of activities (see note 6)	224,263	211,156
Share of support costs (see note 7)	25,803	27,300
Share of governance costs (see note 7)	6,486	5,820
	<u>256,552</u>	<u>244,276</u>
	<u><u>256,552</u></u>	<u><u>244,276</u></u>
Analysis by fund		
Unrestricted funds	253,052	241,476
Restricted funds	3,500	2,800
	<u>256,552</u>	<u>244,276</u>
	<u><u>256,552</u></u>	<u><u>244,276</u></u>

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Grants payable

	Grant funding 2023 £	Grant funding 2022 £
Grants to institutions:		
School Grants	135,166	129,126
Community grants	31,789	31,162
Arts & Special Projects - Hinchingsbrooke School	15,476	13,000
St John's Almshouse Charity	5,000	5,000
Hinchingsbrooke School Prizes	3,500	2,800
	<u>190,931</u>	<u>181,088</u>
Grants to individuals	33,332	30,068
	<u>224,263</u>	<u>211,156</u>

7 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Accountancy and Professional fees	2,320	-	2,320	3,914	3,914
Miscellaneous expenses	126	-	126	153	153
Admin Fee	22,000	-	22,000	22,000	22,000
Insurance	1,357	-	1,357	1,233	1,233
Audit fees	-	6,486	6,486	-	5,820
	<u>25,803</u>	<u>6,486</u>	<u>32,289</u>	<u>27,300</u>	<u>33,120</u>
Analysed between Charitable activities	<u>25,803</u>	<u>6,486</u>	<u>32,289</u>	<u>27,300</u>	<u>33,120</u>

Governance costs includes payments to the auditors of £6,486 (2022- £5,820) for audit fees.

8 Trustees

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

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

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

10 Other

	Endowment funds 2023	Endowment funds 2022
Deferred grant	14,200	14,200

11 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Revaluation of investments	(17,134)	(5,549)	(425,459)	(448,142)
	(17,134)	(5,549)	(425,459)	(448,142)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds general 2022 £	Total 2022 £
Revaluation of investments	34,889	11,300	759,186	805,375
	34,889	11,300	759,186	805,375

12 Investment property

	2023 £
Fair value	
At 1 April 2022 and 31 March 2023	364,780

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Investment property

(Continued)

Investment property comprises Wistow Fen Farm and Views Common. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 12 March 2021 by Carter Jonas Surveyors, who are not connected with the Foundation. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2023 £	2022 £
Freehold	364,780	364,780
Long leasehold	-	-
Short leasehold	-	-

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	9,980,812
Additions	14,200
Valuation changes	(448,142)
At 31 March 2023	9,546,870
Carrying amount	
At 31 March 2023	9,546,870
At 31 March 2022	9,980,812

14 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	9,546,870	9,980,812

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	49,200	21,843

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors (Continued)

	2023 £	2022 £
Amounts falling due after more than one year:		
Other debtors	425,001	453,402
Total debtors	474,201	475,245

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	8,550	5,820

17 Endowment funds

Endowment funds represent assets which must be held permanently by the Foundation. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2022 £	Incoming resources £	Movement in funds			Balance at 31 March 2023 £
			Resources expended £	Transfers £	Revaluations gains and losses £	
Permanent endowments						
Endowment fund	10,104,522	275,589	(14,200)	(261,389)	(425,459)	9,679,063
	10,104,522	275,589	(14,200)	(261,389)	(425,459)	9,679,063

	Balance at 1 April 2021 £	Incoming resources £	Movement in funds			Balance at 1 April 2022 £
			Resources expended £	Transfers £	Revaluations gains and losses £	
Permanent endowments						
Endowment fund	9,345,337	268,397	(14,200)	(254,198)	759,186	10,104,522
	9,345,337	268,397	(14,200)	(254,198)	759,186	10,104,522

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2022	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£
Prizes fund	156,096	4,191	(3,500)	(5,549)	151,238

	Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2022
	£	£	£	£	£
Prizes fund	143,640	3,956	(2,800)	11,300	156,096
	143,640	3,956	(2,800)	11,300	156,096

The prizes fund is used to fund prizes awarded at schools by way of grants made to them.

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			
	Incoming resources	Balance at 1 April 2022	Transfers	Balance at 31 March 2023
	£	£	£	£
Hinchingbrooke House contingency fund	-	-	100,000	100,000
	-	-	100,000	100,000

As a risk reduction measure, £100,000 of the balance was designated by Trustees as a reserve property fund.

THE HINCHINGBROOKE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:				
Investment properties	-	-	364,780	364,780
Investments	422,018	136,684	8,988,168	9,546,870
Current assets/(liabilities)	223,039	14,554	326,115	563,708
	<u>645,057</u>	<u>151,238</u>	<u>9,679,063</u>	<u>10,475,358</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:				
Investment properties	-	-	364,780	364,780
Investments	439,152	142,233	9,399,427	9,980,812
Current assets/(liabilities)	197,411	13,863	340,315	551,589
	<u>636,563</u>	<u>156,096</u>	<u>10,104,522</u>	<u>10,897,181</u>

21 Related party transactions

Transactions with related parties

During the year the Foundation entered into the following transactions with related parties:

Owing to the nature of the The Hinchingsbrooke Foundation operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Foundation has an interest. All transactions involving such organisations are conducted in accordance with the Foundation's financial regulations and normal procurement procedures.

During the year Foundation paid grants of £98,642 (2022: £85,126) to ACES Academies Trust. There are trustees in common to both organisations. ACES Academies Trust also occupies property owned by The Hinchingsbrooke Foundation on a rent free basis.