

THE SWEDISH FOLK HIGH SCHOOL

England & Wales · Charity number 280428

Details

Other names LOXDALE CENTRE

Status Registered

Legal form Charitable company

Company number [01497558](#)

Registered 1980-08-12

Register [View on the Charity Commission register](#)

Contact

Address The Swedish Folk High School
Loxdale
Locks Hill
Portslade
Brighton
BN41 2LA

Phone 01273414973

Email info@loxdale.com

Website www.loxdale.com

Activities

Objects: THE SCHOOL IS ESTABLISHED FOR THE ADVANCEMENT, PROMOTION AND FURTHERANCE OF PUBLIC EDUCATION.

Activities: The Swedish Folk High School is established for the advancement, promotion & furtherance of adult education.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Brighton And Hove
- East Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,209,463	£1,258,743	£1,074,416	23
2023-12-31	£1,116,267	£1,114,731	£1,123,696	22
2022-12-31	£834,832	£800,150	£1,122,160	19
2021-12-31	£452,476	£429,964	-	-
2020-12-31	£496,004	£559,814	-	-

Trustees

Name	Role	Appointed
Carl Olof Olsson	Chair	2023-02-28
Erik Ingvarsson		2021-02-23
Nick Wescombe		2015-02-10
PETER SANDERS		

THE SWEDISH FOLK HIGH SCHOOL

England & Wales - Charity number 280428

Accounts

Charity registration number 280428 (England and Wales)

Company registration number 1497558

**THE SWEDISH FOLK HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

THE SWEDISH FOLK HIGH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Sanders N Wescombe E Ingvarsson C Olsson
Secretary	A Thatcher
Charity number (England and Wales)	280428
Company number	1497558
Registered office	Loxdale Locks Hill Portslade East Sussex BN41 2LA
Auditor	West & Berry Limited Nile House Nile Street Brighton BN1 1HW
Bankers	Natwest Bank PLC Western Avenue Chatham Maritime Chatham ME4 4RT

THE SWEDISH FOLK HIGH SCHOOL

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THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report and financial statements for the year ended 31 December 2024.

Please refer to Legal and Administrative Information page for charity statutory information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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

The school was established for the advancement, promotion and furtherance of public education.

The charity's main objective is the provision of high-quality educational courses for foreign students. The policy continues to be to utilise the funds supplied by Folkhogskola Braheskolan and the charity's assets in the most efficient and effective manner for the benefit of the students.

The involvement of Folkhogskola Braheskolan enables the charity to concentrate on the education of the students. The charity also supplies conference and sports facilities to the local community.

The objectives of The Swedish Folk High School for the year were to:

- Continue to provide high quality educational courses for foreign students and to work on educational improvements.
- Refresh our website and marketing information ready for concerted promotions in 2025.
- Update and improve the condition of the buildings for student and staff comfort.
- Continue to offer a wide range of Continual Professional Development options for all staff.
- Hire staff to include help in the Accommodation and Sales departments
- Build up reserves for future building work and repairs.
- Produce a video to promote our courses for Young Learners
- To conduct a feasibility study to see the viability of building a student residence on site.

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

The charitable company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information of matters of concern to employees is given through regular meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the charity.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charitable company continues and that the appropriate training is arranged. It is the policy of the charitable company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Strategic report

The description under headings 'Achievements and performance' and 'Financial review' meet the company law requirements for the trustees to present a strategic report.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

2024 started off well with Loxdale welcoming Swedish students, international adults and then a mix of 65 Chileans, Panamanians and Peruvians for the Winter course. It was a lively and interesting course with excellent feedback from the group leaders and students. All wanted to rebook for Winter 2025.

When the Winter course finished, Loxdale continued with closed courses of teenagers throughout the Spring alongside their adult programmes. The split of teaching adults in one building and teenagers in the other continues to work well.

The Swedish students who study at Loxdale continue to be from all social backgrounds including immigrants to Sweden, those with mild depression, autism or Asperger's, those with an incomplete secondary education, university students and mature students. Some have a range of mental health issues, and the school continued to provide monthly counselling sessions, support them through regular meetings and tutorials and individualising support when needed.

The Summer courses went very well with wonderful students. There was an article in the EL Gazette which shows that Loxdale English Centre is in the Top 5 Summer Courses 2024.

The Principal still has to restrict the number of students for the summer period. The pressure on accommodation in particular means that she feels that it was important to keep the quality and safety of the courses high and to build up resources gradually to ensure this. Loxdale had it's busiest year for the small on site residence in the summer with a maximum of 20 students with 2 staff caring for them.

Loxdale managed to recruit all the staff they needed and had a very successful summer. Already all the groups have re-booked for Summer 2025.

Due to our high British Council scores, Loxdale was told that we were still in the top 8% of all English language teaching providers in the UK. We were awarded use of the EL Gazette Centre of Excellence logo.

A priority of the school for 2024 was to do some essential work to the school and facilities. Work was done to rebuild the showers and toilets in Loxhall and to split one large bedroom into two rooms. This will provide extra income from accommodation for adults to help build up the school reserves. One of the social rooms was also made into accommodation.

The Autumn term went well, and the number of international students increased.

One of the main focus for the Autumn was preparing for the British Council inspection which will take place in January 2025 and making sure all staff felt confident and happy in their roles.

The other focus was on conducting a feasibility study on the viability of building a larger student residence on site. Through meetings with a quantitative surveyor and architects and initial discussions with the bank, it was decided to split the ambitious plans into two phases. The initial phase is to maximize the number of students in the Loxhall building whilst increasing the quality. The second phase will see the expansion of the dining room, create a larger common room and four classrooms as well as more bedrooms.

During the Autumn much work was also done by Loxdale to build up and promote the Winter 2025 teenage course and closed group course numbers for 2025 and this is looking very promising.

Loxdale also paid off both of their loans in the Autumn – the Covid loan and the long-term loan.

The Swedish Folk High School continues to be a committed member of the English UK Special Interest Group for Young Learners and has improved its procedures and policies for working with vulnerable adults and children. Anna Thatcher, Principal is on the Board and organises training sessions for this group. Anna Thatcher is still involved with Sussex Safeguarding, a dedicated Safeguarding Group for language schools in Brighton.

The charity continues to welcome requests from various charities and members of the local community to use the sports hall and conference facilities at discounted rates.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The statement of Financial Activities shows a net deficit of £49,280 (2023: £1,536 surplus), total reserves stand at £1,074,416 (2023: £1,123,696) and free reserves at £35,192 (2023: £91,899).

The principal sources of income are the educational grant from Folkhogskola Braheskolan supplemented by conference, rental, the Summer School, non-Swedish students, and closed group income.

The expenditure during the year continued to be applied to staff costs and the premises running costs, supporting the objectives.

The present level of funding is considered adequate to support the continuation of The Swedish Folk High School and the trustees consider that the financial position of the charity is satisfactory.

The total number of student weeks (Swedes, Summer and International students) was almost back to 2019 numbers

2024	2023	2022	2021	2020	2019
3,658	3,449	2,725	1,471	1,343	3,819

The Principal and Accounts Manager continue to work together to react to maintain cashflow for the school.

As in 2023, the Board confirmed that their parent company, Folkuniversitetet, is in a strong financial situation and this should serve as a guarantee. There is no threat to Loxdale's continued work over the next year.

The trustees plan to increase free reserves to support the future development of the charity.

Organisational controls include an annual review of the controls over key financial systems.

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

Plans for future periods

Plans for the future include continual improvement to the school and the courses offered. The situation is looking very positive for 2025 including a busy Winter teenager course with new nationalities in January 2025 and a well booked diary of closed-group courses throughout the Winter and Spring. Summer 2025 bookings have also started to come in and look very promising.

Structure, governance and management

The charitable company is a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

P Sanders
N Wescombe
E Ingvarsson
C Olsson

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The company's Memorandum & Articles state that one-third of the directors must resign each year but each can be eligible for re-election should he/she and the Board wish it.

In accordance with the charity's procedures, new trustees, with an interest in the marketing and success of the charity are nominated by Stiftelsen Braheskolan. They are inducted and supported by the Chairman. The trustees are currently looking to elect one more person to the Board.

The trustees meet at least four times a year to manage the charity's affairs. At these meetings the current situation is discussed, along with the marketing process, financial position, major maintenance issues and funding. The Principal makes the day-to-day decisions in running the school and meets with one or more of the Board to discuss marketing and major financial decisions at various times. Key management remuneration is set by the Trustees.

The charity receives grant income from Folkhogskola Braheskolan on a monthly basis.

The trustees consider that the major risk to which the charity is exposed is a reduction in grant funding. However, the increase in the number of international students, closed course income and the development of the summer young learner courses are considered sufficient to mitigate this risk.


Auditor

In accordance with the company's articles, a resolution proposing that West & Berry Limited 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.


.....
P Sanders
Trustee


.....
C Olsson
Trustee

Date: 28 Feb 2025

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES *FOR THE YEAR ENDED 31 DECEMBER 2024*

The trustees, who are also the directors of The Swedish Folk High School for the purpose of company law, 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).

Company law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SWEDISH FOLK HIGH SCHOOL

Opinion

We have audited the financial statements of The Swedish Folk High School (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SWEDISH FOLK HIGH SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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

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

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

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities Act 2011, the Companies Act 2006, safeguarding legislation, health & safety and employment laws.
- We obtained an understanding of how the charity is complying with the legal and regulatory frameworks by making inquiries to management.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE SWEDISH FOLK HIGH SCHOOL

- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

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.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Westbury FCCA

Michelle Westbury FCCA (Senior Statutory Auditor)

For and on behalf of West & Berry Limited, Statutory Auditor
Chartered Certified Accountants
Nile House
Nile Street
Brighton
BN1 1HW
Date: 28 Feb 2025.....

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	253,523	254,484
Charitable activities	4	911,195	823,036
Investments	5	44,745	38,747
Total income		<u>1,209,463</u>	<u>1,116,267</u>
Expenditure on:			
Charitable activities	6	1,258,743	1,114,731
Total expenditure		<u>1,258,743</u>	<u>1,114,731</u>
Net income/(expenditure) and movement in funds		(49,280)	1,536
Reconciliation of funds:			
Fund balances at 1 January 2024		<u>1,123,696</u>	<u>1,122,160</u>
Fund balances at 31 December 2024		<u>1,074,416</u>	<u>1,123,696</u>

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


THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,039,224		1,031,797
Current assets					
Debtors	12	218,609		235,186	
Cash at bank and in hand		177,340		434,857	
		<u>395,949</u>		<u>670,043</u>	
Creditors: amounts falling due within one year	14	<u>(360,757)</u>		<u>(493,319)</u>	
Net current assets			35,192		176,724
Total assets less current liabilities			<u>1,074,416</u>		<u>1,208,521</u>
Creditors: amounts falling due after more than one year	15		-		(84,825)
Net assets			<u>1,074,416</u>		<u>1,123,696</u>
The funds of the charity					
Unrestricted funds			<u>1,074,416</u>		<u>1,123,696</u>
			<u>1,074,416</u>		<u>1,123,696</u>

The financial statements were approved by the trustees on 28 Feb 2025



 P Sanders
 Trustee



 C Olsson
 Trustee

Company registration number 1497558 (England and Wales)

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(174,868)		101,627
Investing activities					
Purchase of tangible fixed assets		(14,636)		(21,687)	
Investment income received		44,745		38,747	
Net cash generated from investing activities			30,109		17,060
Financing activities					
Repayment of bank loans		(112,758)		(25,361)	
Net cash used in financing activities			(112,758)		(25,361)
Net (decrease)/increase in cash and cash equivalents			(257,517)		93,326
Cash and cash equivalents at beginning of year			434,857		341,531
Cash and cash equivalents at end of year			177,340		434,857

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Swedish Folk High School is a private company limited by guarantee incorporated in England and Wales. The registered office is Loxdale, Locks Hill, Portslade, East Sussex, BN41 2LA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 charity is a Public Benefit Entity as defined by FRS 102.

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

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

The accounts comply with FRS 102.

1.2 Going concern

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

1.3 Charitable funds

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

The charity established a designated fund as a reserve to protect against industry downturn, perform emergency repair work, or other uses at the discretion of the trustees. In normal years, the fund shall equate to 30% of the annual surplus.

1.4 Income

Grant and rental income are included on a receivable basis. Course fees received in advance are deferred.

Funds received as Agent relating to accommodation are not recognised in the accounts.

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.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Charitable expenditure are expenses incurred directly in pursuance of the charity's principal activity and support costs relating to this activity.

Support costs are those incurred in connection with running the charity that enables the charitable activity to be undertaken.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

The Charity has a policy of capitalising fixed assets that cost in excess of £250.

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

Freehold land and buildings	2% straight line (where above residual value)
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land and buildings. The Charity has a policy of high maintenance of the building and the trustees feel that this leads to a high residual value such that depreciation would not be material.

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

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

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

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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 charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoings resources.

1.13 Funds

The funds of the charity are all unrestricted.

1.14 Value added tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Grants	253,523	254,484

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income		
Incoming resources from charitable activities	911,195	823,036

Funds received as agent not recognised in the accounts £530,428 (2023: £501,123)

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income and bank interest	44,745	38,747

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Direct costs		
Staff costs	529,966	474,291
Depreciation and impairment	3,256	5,777
Commission and discounts	35,747	29,024
Material/library/student	342,601	328,658
Staff canteen/welfare/entertainment	12,519	14,261
Building costs	217,448	152,519
Marketing costs	12,741	11,843
Bus passes	23,865	29,499
Other administration costs - main	32,737	32,920
Representation/British Council	6,012	5,271
Subscriptions and professional fees	16,202	2,268
Bank charges	2,243	2,262
Loan interest	7,049	9,930
Loss on disposal of tangible fixed assets	3,956	3,181
	1,246,342	1,101,704
Share of support and governance costs (see note)		
Governance	12,401	13,027
	1,258,743	1,114,731
	1,258,743	1,114,731
Analysis by fund		
Unrestricted funds	1,258,743	1,114,731

Governance costs include payments to the auditors for audit fees of £5,650 (2023: £5,650) and non-audit fees £4,100 (2023: £4,100).

Included in expenditure above are operating lease payments of £3,744 (2023: £3,744).

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity. All costs above relate directly to the one activity of running of the school, support costs including payroll and finance are not considered material to disclose separately as support costs.

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	5,650	5,650
Depreciation of owned tangible fixed assets	3,256	5,777
	8,906	11,427

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Trustees

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

Three trustees were reimbursed for accommodation expenses totalling £320 during the year (2023: Nil).

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Administrative	6	6
Teaching	15	14
Premises	2	2
Total	<u>23</u>	<u>22</u>

Employment costs

	2024 £	2023 £
Wages and salaries	486,641	436,410
Social security costs	31,366	26,640
Other pension costs	11,959	11,241
	<u>529,966</u>	<u>474,291</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,000 to £70,000	<u>1</u>	<u>-</u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	<u>63,332</u>	<u>59,421</u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2024	1,017,650	69,434	800	1,087,884
Additions	11,807	2,829	-	14,636
Disposals	-	(28,643)	-	(28,643)
At 31 December 2024	1,029,457	43,620	800	1,073,877
Depreciation and impairment				
At 1 January 2024	-	55,392	693	56,085
Depreciation charged in the year	-	3,229	27	3,256
Eliminated in respect of disposals	-	(24,688)	-	(24,688)
At 31 December 2024	-	33,933	720	34,653
Carrying amount				
At 31 December 2024	1,029,457	9,687	80	1,039,224
At 31 December 2023	1,017,650	14,041	106	1,031,797

On adoption of FRS 102 the deemed cost exemption was applied to land and buildings with a carrying value of £1,000,000.

At the 31 December 2024, had the revalued assets been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately £948,032 (2023: £936,225).

12 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	169,735	168,537
Other debtors	7,952	11,554
Prepayments and accrued income	40,922	55,095
	218,609	235,186

13 Loans and overdrafts

	2024	2023
	£	£
Bank loans	-	112,758
Payable within one year	-	27,933
Payable after one year	-	84,825

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Loans and overdrafts

(Continued)

The long-term loans were secured by fixed charges over the freehold land and building, and were repaid in full during the year.

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	13	-	27,933
Other taxation and social security		8,217	12,748
Deferred income	16	326,542	418,384
Trade creditors		6,369	11,622
Other creditors		4,346	8,248
Accruals		15,283	14,384
		<u>360,757</u>	<u>493,319</u>

15 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	13	-	84,825
		<u>-</u>	<u>84,825</u>

16 Deferred income

	2024 £	2023 £
Arising from course fees	326,542	418,384
	<u>326,542</u>	<u>418,384</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	326,542	418,384
	<u>326,542</u>	<u>418,384</u>
Movements in the year:		
Deferred income at 1 January 2024	418,384	271,674
Released from previous periods	(418,384)	(271,674)
Resources deferred in the year	326,542	418,384
	<u>326,542</u>	<u>418,384</u>
Deferred income at 31 December 2024	<u>326,542</u>	<u>418,384</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,959	11,241

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

The pension liabilities outstanding at the year end were £1,384 (2023: £1,114)

18 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	3,744	3,744
Between two and five years	4,608	8,352
	<u>8,352</u>	<u>12,096</u>

19 Related party transactions

Trustees

There are no related party transactions with any trustees for both the current and prior year.

20 Cash (absorbed by)/generated from operations

	2024	2023
	£	£
(Deficit)/surplus for the year	(49,280)	1,536
Adjustments for:		
Investment income recognised in statement of financial activities	(44,745)	(38,747)
Loss on disposal of tangible fixed assets	3,955	3,181
Depreciation and impairment of tangible fixed assets	3,256	5,777
Movements in working capital:		
Decrease in debtors	16,577	5,679
(Decrease) in creditors	(12,789)	(22,509)
(Decrease)/increase in deferred income	(91,842)	146,710
Cash (absorbed by)/generated from operations	<u>(174,868)</u>	<u>101,627</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Analysis of changes in net funds

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	434,857	(257,517)	177,340
Loans falling due within one year	(27,933)	27,933	-
Loans falling due after more than one year	(84,825)	84,825	-
	<u>322,099</u>	<u>(144,759)</u>	<u>177,340</u>

THE SWEDISH FOLK HIGH SCHOOL

England & Wales - Charity number 280428

Accounts

Charity registration number 280428

Company registration number 1497558 (England and Wales)

**THE SWEDISH FOLK HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

THE SWEDISH FOLK HIGH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

P Sanders
N Wescombe
E Ingvarsson
C Olsson

(Appointed 28 February
2023)

Secretary

A Thatcher

Charity number

280428

Company number

1497558

Registered office

Loxdale
Locks Hill
Portslade
East Sussex
BN41 2LA

Auditor

West & Berry Limited
Mocatta House
Trafalgar Place
Brighton
BN1 4DU

Bankers

Natwest Bank PLC
Western Avenue
Chatham Maritime
Chatham
ME4 4RT

THE SWEDISH FOLK HIGH SCHOOL

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THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Please refer to Legal and Administrative Information page for charity statutory information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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

The school was established for the advancement, promotion and furtherance of public education.

The charity's main objective is the provision of high-quality educational courses for foreign students. The policy continues to be to utilise the funds supplied by Folkhogskola Braheskolan and the charity's assets in the most efficient and effective manner for the benefit of the students.

The involvement of Folkhogskola Braheskolan enables the charity to concentrate on the education of the students. The charity also supplies conference and sports facilities to the local community.

The objectives of The Swedish Folk High School for the year were to:

- Continue to provide high quality educational courses for foreign students.
- Maintain relations with existing agents around the world and to encourage the return of short, closed courses for teenagers and young adults to Loxdale.
- Refresh our website and marketing information ready for concerted promotions in 2024.
- Improve the condition of the buildings for student and staff comfort.
- Continue to offer a wide range of Continual Professional Development options for all staff.
- Build up the staff to pre-Covid levels.
- Build up reserves for future building work and repairs.

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

The charitable company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information of matters of concern to employees is given through regular meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the charity.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charitable company continues and that the appropriate training is arranged. It is the policy of the charitable company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Strategic report

The description under headings 'Achievements and performance' and 'Financial review' meet the company law requirements for the trustees to present a strategic report.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

2023 started with the busiest week since 2019 which was the busiest year we'd ever had. Loxdale welcomed Swedish students, international adults and then a mix of 95 Chileans and Peruvians for the Winter course. It was a lively and interesting course with excellent feedback from the group leaders and students.

When the Winter course finished, Loxdale continued with almost concurrent closed courses of teenagers throughout the Spring along side their adult programmes. The split of teaching adults in one building and teenagers in the other continues to work well.

In terms of student numbers, we had the biggest Spring since 2019. The students did very well in class and with their Activity week presentations. There are always a number of students suffering with anxiety but we find the use of the monthly school mental health counsellor very useful and it has been a great support for our students. We also run a course about giving presentations to support those needed to build up to the presentation they do to the whole school.

The Swedish students who study at Loxdale continue to be from all social backgrounds including immigrants to Sweden, those with mild depression, autism or Asperger's, those with an incomplete secondary education, university students and mature students. Some have a range of mental health issues that can be exasperated by the Lockdown periods and uncertainty and the school continued to provide monthly counselling sessions, support them through regular meetings and tutorials and individualising support when needed.

The Summer courses went very well with wonderful students. In terms of numbers, Loxdale had 76% of the highest recorded students numbers of 2019. There was an article in the EL Gazette which shows that Loxdale English Centre is in the Top 14 Summer Courses 2023.

The Principal kept to the decision to restrict the number of students to 75% of the 2019 figures. She still felt that it was important to keep the quality and safety of the courses high and to build up resources gradually to ensure this. Although the availability of staff and accommodation has increased a little since 2022, recruitment of both is still an issue.

Loxdale managed to recruit all the staff they needed and had a very successful summer. Already all the groups have re-booked for Summer 2024.

Due to our high British Council scores, Loxdale was told that we were still in the top 8% of all English language teaching providers in the UK. We were awarded use of the EL Gazette Centre of Excellence logo.

A priority of the school for 2023 was to do some essential work to the school and facilities. During the Spring an extra storage room was built and extensive work was done to the front façade of the main building. Rendering, gutters and repointing work and refitting delicate stonework was done.

During the Summer a new shed was built. In December major work was started on rebuilding and refurbishing the shower, toilet areas of Loxhall. Six new showers and toilets are being installed.

Loxdale also applied for, and was granted a HMO licence for Loxhall.

The Autumn term went well although Loxdale had slightly lower numbers than normal. However, the number of international students increased.

The Autumn was also a chance to build up the staffing levels at Loxdale with new administration and maintenance staff.

During the Autumn much work was also done by Loxdale to build up and promote the Winter 2024 teenage course and closed group course numbers for 2024 and this is looking very promising.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Swedish Folk High School continues to be a committed member of the English UK Special Interest Group for Young Learners and has improved its procedures and policies for working with vulnerable adults and children. Anna Thatcher, Principal is on the Board and organises training sessions for this group. Anna Thatcher is still involved with Sussex Safeguarding, a dedicated Safeguarding Group for language schools in Brighton.

The charity has still managed to welcome requests from various charities and members of the local community to use the sports hall and conference facilities at discounted rates.

Financial review

The statement of Financial Activities shows a net income of £1,536 (2022: £34,682), total reserves stand at £1,123,696 (2022: £1,122,160) and free reserves at £91,899 (2022: £103,091).

The principal sources of income are the educational grant from Folkhogskola Braheskolan supplemented by conference, rental, the Summer School, non-Swedish students, and closed group income.

The expenditure during the year continued to be applied to staff costs and the premises running costs, supporting the objectives.

The present level of funding is considered adequate to support the continuation of The Swedish Folk High School and the trustees consider that the financial position of the charity is satisfactory.

The total number of student weeks (Swedes, Summer and International students) was almost back to 2019 numbers.

2023	2022	2021	2020	2019	2018
3,449	2,725	1,471	1,343	3,819	2,794

The Principal and Accounts Manager continue to work together to react to maintain cashflow for the school.

As in 2022, the Board confirmed that their parent company, FU, is in a strong financial situation and this should serve as a guarantee. There is no threat to Loxdale's continued work over the next year.

The trustees believe that maintaining reserves at current levels will provide sufficient resources in the event of further adverse conditions.

Organisational controls include an annual review of the controls over key financial systems.

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

Plans for future periods

Plans for the future include continual improvement to the school and the courses offered. The situation is looking very positive for 2024 including the largest ever Winter teenager course in January 2024 and a well booked diary of closed-group courses throughout the Winter and Spring. Summer 2024 bookings have also started to come in.

Structure, governance and management

The charitable company is a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

P Sanders	
N Wescombe	
R Danielsson	(Resigned 28 February 2023)
E Ingvarsson	
C Olsson	(Appointed 28 February 2023)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The company's Memorandum & Articles state that one-third of the directors must resign each year but each can be eligible for re-election should he/she and the Board wish it.

In accordance with the charity's procedures, new trustees, with an interest in the marketing and success of the charity are nominated by Stiftelsen Braheskolan. They are inducted and supported by the Chairman. The trustees are currently looking to elect one more person to the Board.

The trustees meet at least four times a year to manage the charity's affairs. At these meetings the current situation is discussed, along with the marketing process, financial position, major maintenance issues and funding. The Principal makes the day-to-day decisions in running the school and meets with one or more of the Board to discuss marketing and major financial decisions at various times. Key management remuneration is set by the Trustees.

The charity receives grant income from Folkhogskola Braheskolan on a monthly basis.

The trustees consider that the major risk to which the charity is exposed is a reduction in grant funding. However, the increase in the number of international students, closed course income and the development of the summer young learner courses are considered sufficient to mitigate this risk.

Auditor

In accordance with the company's articles, a resolution proposing that West & Berry Limited 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.



P Sanders
Trustee



N Wescombe
Trustee

22 February 2024

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of The Swedish Folk High School for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Opinion

We have audited the financial statements of The Swedish Folk High School (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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

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

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

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities Act 2011, the Companies Act 2006, safeguarding legislation, health & safety and employment laws.
- We obtained an understanding of how the charity is complying with the legal and regulatory frameworks by making inquiries to management.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

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.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Westbury FCCA (Senior Statutory Auditor)
for and on behalf of West & Berry Limited

22 February 2024

Chartered Certified Accountants
Statutory Auditor

Mocatta House
Trafalgar Place
Brighton
BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income and endowments from:</u>	Notes		
Grants	3	254,484	262,640
Charitable activities	4	823,036	521,776
Investments	5	38,747	44,073
Government grants	6	-	6,343
Total income		<u>1,116,267</u>	<u>834,832</u>
<u>Expenditure on:</u>			
Charitable activities	7	<u>1,114,731</u>	<u>800,150</u>
Net income for the year/ Net movement in funds		1,536	34,682
Fund balances at 1 January 2023		<u>1,122,160</u>	<u>1,087,478</u>
Fund balances at 31 December 2023		<u><u>1,123,696</u></u>	<u><u>1,122,160</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,031,797		1,019,069
Current assets					
Debtors	12	235,186		240,865	
Cash at bank and in hand		434,857		341,531	
		670,043		582,396	
Creditors: amounts falling due within one year	14	(493,319)		(369,367)	
Net current assets			176,724		213,029
Total assets less current liabilities			1,208,521		1,232,098
Creditors: amounts falling due after more than one year	15		(84,825)		(109,938)
Net assets			1,123,696		1,122,160
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,042,271		1,040,735	
Revaluation reserve		81,425		81,425	
			1,123,696		1,122,160
			1,123,696		1,122,160

The financial statements were approved by the Trustees on 22 February 2024



N Wescombe
Trustee



E Ingvarsson
Trustee

Company registration number 1497558

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	20		101,627		81,364
Investing activities					
Purchase of tangible fixed assets		(21,687)		(4,241)	
Proceeds from disposal of tangible fixed assets		-		250	
Investment income received		38,747		44,073	
Net cash generated from investing activities			17,060		40,082
Financing activities					
Repayment of bank loans		(25,361)		(51,208)	
Net cash used in financing activities			(25,361)		(51,208)
Net increase in cash and cash equivalents			93,326		70,238
Cash and cash equivalents at beginning of year			341,531		271,293
Cash and cash equivalents at end of year			434,857		341,531

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Swedish Folk High School is a private company limited by guarantee incorporated in England and Wales. The registered office is Loxdale, Locks Hill, Portslade, East Sussex, BN41 2LA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 charity is a Public Benefit Entity as defined by FRS 102.

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

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

The accounts comply with FRS 102.

1.2 Going concern

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

1.3 Charitable funds

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

The charity established a designated fund as a reserve to protect against industry downturn, perform emergency repair work, or other uses at the discretion of the trustees. In normal years, the fund shall equate to 30% of the annual surplus. Due to the difficult conditions created by the Covid-19 pandemic no amount was transferred to this reserve in 2022 or 2023.

1.4 Income

Grant and rental income are included on a receivable basis. Course fees received in advance are deferred.

Funds received as Agent relating to accommodation are not recognised in the accounts.

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.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Charitable expenditure are expenses incurred directly in pursuance of the charity's principal activity and support costs relating to this activity.

Support costs are those incurred in connection with running the charity that enables the charitable activity to be undertaken.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

The Charity has a policy of capitalising fixed assets that cost in excess of £250.

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

Freehold land and buildings	2% straight line (where above residual value)
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land and buildings. The Charity has a policy of high maintenance of the building and the trustees feel that this leads to a high residual value such that depreciation would not be material.

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

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

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

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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 charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoings resources.

1.13 Funds

The funds of the charity are all unrestricted.

1.14 Value added tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

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

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

3 Grants

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Grants Receivable	254,484	262,640

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Incoming resources from charitable activities	823,036	521,776

Funds received as agent not recognised in the accounts £501,123 (2022: £318,083)

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental Income	38,747	44,073

THE SWEDISH FOLK HIGH SCHOOL

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

6 Government grants

	Total Unrestricted funds	
	2023	2022
	£	£
Government grants	-	6,343

7 Charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Staff costs		
Depreciation and impairment	474,291	384,153
Commission and discounts	5,776	6,356
Material / library / student	29,024	31,008
Sport hall costs	328,658	207,924
Staff canteen / welfare / entertainment	-	767
Building costs	14,261	11,055
Marketing costs	152,519	80,679
Bus passes	11,843	8,479
Other administration costs - main	29,499	15,550
Representation / British Council	32,921	26,448
Subscriptions and professional fees	5,271	3,837
Bank charges	2,268	1,943
Loan interest	2,262	1,709
Loss on disposal of tangible fixed assets	9,930	6,286
	3,181	1,926
	<u>1,101,704</u>	<u>788,120</u>
Share of governance costs (see note)	13,027	12,030
	<u>1,114,731</u>	<u>800,150</u>

Governance costs include payments to the auditors for audit fees of £5,650 (2022: £5,200) and non-audit fees £4,100 (2022: £4,100).

Included in expenditure above are operating lease payments of £3,744 (2022: £3,744).

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity. All costs above relate directly to the one activity of running of the school, support costs including payroll and finance are not considered material to disclose separately as support costs.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Furthermore no expenses were reimbursed to the trustees during the current or prior year.

9 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Administrative	6	6
Teaching	14	12
Premises	2	1
Total	<u>22</u>	<u>19</u>
Employment costs	2023	2022
	£	£
Wages and salaries	436,410	353,611
Social security costs	26,640	20,875
Other pension costs	11,241	9,667
	<u>474,291</u>	<u>384,153</u>

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

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE SWEDISH FOLK HIGH SCHOOL

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

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2023	1,000,000	185,787	800	1,186,587
Additions	17,650	4,037	-	21,687
Disposals	-	(120,390)	-	(120,390)
At 31 December 2023	1,017,650	69,434	800	1,087,884
Depreciation and impairment				
At 1 January 2023	-	166,861	658	167,519
Depreciation charged in the year	-	5,741	36	5,777
Eliminated in respect of disposals	-	(117,209)	-	(117,209)
At 31 December 2023	-	55,393	694	56,087
Carrying amount				
At 31 December 2023	1,017,650	14,041	106	1,031,797
At 31 December 2022	1,000,000	18,926	143	1,019,069

On adoption of FRS 102 the deemed cost exemption was applied to land and buildings with a carrying value of £1,000,000.

At the 31 December 2023, had the revalued assets been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately £936,225 (2022: £918,575).

12 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	168,537	152,418
Other debtors	11,554	16,424
Prepayments and accrued income	55,095	72,023
	235,186	240,865

THE SWEDISH FOLK HIGH SCHOOL

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

13 Loans and overdrafts

	2023 £	2022 £
Bank loans	112,758	138,119
Payable within one year	27,933	28,181
Payable after one year	84,825	109,938
Amounts included above which fall due after five years:		
Payable by instalments	-	2,789

The long-term loans are secured by fixed charges over the freehold land and building.

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	13	27,933	28,181
Other taxation and social security		12,748	5,226
Deferred income	16	418,384	271,674
Trade creditors		11,622	43,486
Other creditors		8,248	5,787
Accruals		14,384	15,013
		493,319	369,367

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	84,825	109,938

16 Deferred income

	2023 £	2022 £
Arising from course fees	418,384	271,674

THE SWEDISH FOLK HIGH SCHOOL

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

16 Deferred income

(Continued)

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	418,384	271,674
Movements in the year:		
Deferred income at 1 January 2023	271,674	153,978
Released from previous periods	(271,674)	(153,978)
Resources deferred in the year	418,384	271,674
Deferred income at 31 December 2023	418,384	271,674

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

The charge to profit or loss in respect of defined contribution schemes was £11,241 (2022: £9,667). The amount due to the pension scheme at the balance sheet date £1,114 (2022: £944).

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	3,744	3,744
Between two and five years	8,352	12,096
	12,096	15,840

THE SWEDISH FOLK HIGH SCHOOL

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

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	59,421	55,440

Trustees

There are no related party transactions with any trustees for both the current and prior year.

20 Cash generated from operations

	2023 £	2022 £
Surplus for the year	1,536	34,682
Adjustments for:		
Investment income recognised in statement of financial activities	(38,747)	(44,073)
Loss on disposal of tangible fixed assets	3,181	1,926
Depreciation and impairment of tangible fixed assets	5,776	6,356
Movements in working capital:		
Decrease/(increase) in debtors	5,679	(75,038)
(Decrease)/increase in creditors	(22,508)	39,815
Increase in deferred income	146,710	117,696
Cash generated from operations	101,627	81,364

21 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	341,531	93,326	434,857
Loans falling due within one year	(28,181)	248	(27,933)
Loans falling due after more than one year	(109,938)	25,113	(84,825)
	<u>203,412</u>	<u>118,687</u>	<u>322,099</u>

THE SWEDISH FOLK HIGH SCHOOL

England & Wales - Charity number 280428

Accounts

Charity registration number 280428

Company registration number 1497558 (England and Wales)

**THE SWEDISH FOLK HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

THE SWEDISH FOLK HIGH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Sanders N Wescombe R Danielsson E Ingvarsson
Secretary and Principal	A Thatcher
Charity number	280428
Company number	1497558
Registered office	Loxdale Locks Hill Portslade East Sussex BN41 2LA
Auditor	West & Berry Limited Mocatta House Trafalgar Place Brighton BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

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THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

Please refer to Legal and Administrative Information page for charity statutory information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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

The school was established for the advancement, promotion and furtherance of public education.

The charity's main objective is the provision of high-quality educational courses for foreign students. The policy continues to be to utilise the funds supplied by Folkhogskola Braheskolan and the charity's assets in the most efficient and effective manner for the benefit of the students.

The involvement of Folkhogskola Braheskolan enables the charity to concentrate on the education of the students. The charity also supplies conference and sports facilities to the local community.

The objectives of The Swedish Folk High School for the year were to:

- Continue to provide high quality educational courses for foreign students.
- Maintain relations with existing agents around the world and to encourage the return of short, closed courses for teenagers and young adults to Loxdale.
- Refresh our website and marketing information ready for concerted promotions in 2023.
- Improve in-house written resources and material ready for improved student numbers in 2023.
- Work on increasing the number of staff to pre-Covid levels including a good, reliable bank of teachers.
- Build up reserves for future building work and repairs.

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

The charitable company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information of matters of concern to employees is given through regular meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the charity.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charitable company continues and that the appropriate training is arranged. It is the policy of the charitable company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Strategic report

The description under headings 'Achievements and performance' and 'Financial review' meet the company law requirements for the trustees to present a strategic report.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

The year started well with the return of the international Winter course, albeit smaller than pre-Covid. Coming out of the Covid years 2022 felt like things were getting back to normal and the number of students increased.

In terms of student numbers, we had the biggest Spring since 2019 and the second largest since 2016. The students did very well in class and with their Activity week presentations. There are always a number of students suffering with anxiety but we find the use of the monthly school mental health counsellor very useful and it has been a great support for our students.

The Swedish students who study at Loxdale continue to be from all social backgrounds including immigrants to Sweden, those with mild depression, autism or Asperger's, those with an incomplete secondary education, university students and mature students. Some have a range of mental health issues that can be exasperated by the Lockdown periods and uncertainty and the school continued to provide monthly counselling sessions, support them through regular meetings and tutorials and individualising support when needed.

Loxdale was not expecting to have closed groups return to Loxdale post-covid until September 2022 but were delighted to receive 2 Italian groups in April 2022.

Part of the recovery after Covid was raising awareness of our summer courses around the world and we were delighted to have such a busy summer with many groups and some individuals returning to us once more. Returning to the summer season after having 2 summers without many students meant a lot of work in updating staff, training and procedures. All aspects to ensure the safety and well-being of our students and staff was revisited and re-evaluated to ensure we offer the best for our clients.

As part of this, the Principal made the decision to restrict the number of students to 60% of the 2019 figures. She felt that it was important to keep the quality and safety of the courses high and to build up resources gradually to ensure this. There are also other new issues which have started since Brexit rules became official and post-Covid implications that affected the organization and are affecting language schools across the UK. These included many fewer hosts than pre-Covid. Many hosts decided not to return to the industry and have made their 'student' room into an office. There are also staffing implications with many teachers and social organisers leaving the EFL industry. Pre-Covid many of our social staff were from Europe and they no longer have the permission to work in the UK. Many UK workers wanted long holiday periods to make up for 2 summers of not being able to travel leaving the EFL industry struggling to recruit suitable social staff.

However, Loxdale managed to recruit all the staff they needed and had a very successful summer. Already all the groups have re-booked for Summer 2023.

Due to our high British Council scores, Loxdale was told that we were still in the top 8% of all English language teaching providers in the UK. We were awarded use of the EL Gazette Centre of Excellence logo.

The Autumn term continued to add to Loxdale's success with the best number of students for more than 8 years.

This meant that the Principal has been looking at the longer term building renovations needed and organizing this for 2023.

During the Autumn much work was also done by Loxdale to build up and promote the Winter 2023 teenage course and closed group course numbers for 2023 and this is looking very promising.

The Swedish Folk High School continues to be a committed member of the English UK Special Interest Group for Young Learners and has improved its procedures and policies for working with vulnerable adults and children. Anna Thatcher, Principal is on the Board and organises training session for this group. Anna Thatcher is still involved with Sussex Safeguarding, a dedicated Safeguarding Group for language schools in Brighton.

The charity has still managed to welcome requests from various charities and members of the local community to use the sports hall and conference facilities at discounted rates.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the future include continual improvement to the school and the courses offered. The situation is looking very positive for 2023 including the largest ever Winter teenager course in January 2023 and a very heavily booked diary of closed-group courses throughout the Winter and Spring. Summer 2023 bookings have also started to come in.

Financial review

The statement of Financial Activities shows a net income of £34,682 (2021: £22,512), total reserves stand at £1,122,160 (2021: £1,087,478) and free reserves at £103,091 (2021: £64,118).

The principal sources of income are the educational grant from Folkhogskola Braheskolan supplemented by conference, rental, the Summer School, non-Swedish students, and closed group income.

The expenditure during the year continued to be applied to staff costs and the premises running costs, supporting the objectives.

The present level of funding is considered adequate to support the continuation of The Swedish Folk High School and the trustees consider that the financial position of the charity is satisfactory.

The total number of student weeks (Swedes, Summer and international students) was almost back to 2018 numbers.

2022	2021	2020	2019	2018
2,725	1,471	1,343	3,819	2,794

The start of the return of students after Covid has meant that Loxdale has made to make a profit.

The Principal and Accounts Manager continue to work together to react to maintain cashflow for the school.

As in 2021, the Board confirmed that their parent company, FU, is in a strong financial situation and this should serve as a guarantee. There is no threat to Loxdale's continued work over the next year.

The trustees believe that maintaining reserves at current levels will provide sufficient resources in the event of further adverse conditions.

Organisational controls include an annual review of the controls over key financial systems.

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

Structure, governance and management

The charitable company is a company limited by guarantee and is therefore governed by its memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

P Sanders
N Wescombe
R Danielsson
E Ingvarsson

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Company Memorandum & Articles state that one-third of the directors must resign each year but each can be eligible for re-election should he/she and the Board wish it.

In accordance with the charity's procedures, new trustees, with an interest in the marketing and success of the charity are nominated by Stiftelsen Braheskolan. They are inducted and supported by the Chairman. The trustees are currently looking to elect one more person to the Board.

The trustees meet at least four times a year to manage the charity's affairs. At these meetings the current situation is discussed, along with the marketing process, financial position, major maintenance issues and funding. The Principal makes the day-to-day decisions in running the school and meets with one or more of the Board to discuss marketing and major financial decisions at various times. Key management remuneration is set by the Trustees.

The charity receives grant income from Folkhogskola Braheskolan on a monthly basis.

The trustees consider that the major risk to which the charity is exposed is a reduction in grant funding. However, the increase in the number of international students, closed course income and the development of the summer young learner courses are considered sufficient to mitigate this risk.

Auditor

In accordance with the company's articles, a resolution proposing that West & Berry Limited 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.



N Wescombe
Trustee

Date: 29/02/2023



E Ingvarsson
Trustee

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of The Swedish Folk High School for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Opinion

We have audited the financial statements of The Swedish Folk High School (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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

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

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

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities Act 2011, the Companies Act 2006, and safeguarding legislation.
- We obtained an understanding of how the charity is complying with the legal and regulatory frameworks by making inquiries to management.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

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.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M. Westbury

Michelle Westbury FCCA (Senior Statutory Auditor)
for and on behalf of West & Berry Limited

Chartered Certified Accountants
Statutory Auditor

1 March 2023

Mocatta House
Trafalgar Place
Brighton
BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income and endowments from:</u>			
Grants	3	262,640	262,110
Charitable activities	4	521,776	90,907
Investments	5	44,073	27,740
Government grants	6	6,343	71,719
		<hr/>	<hr/>
Total income		834,832	452,476
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	7	800,150	429,964
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		34,682	22,512
Fund balances at 1 January 2022		1,087,478	1,064,966
		<hr/>	<hr/>
Fund balances at 31 December 2022		1,122,160	1,087,478
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,019,069		1,023,360
Current assets					
Debtors	11	240,865		165,827	
Cash at bank and in hand		341,531		271,293	
		<u>582,396</u>		<u>437,120</u>	
Creditors: amounts falling due within one year	13	<u>(369,367)</u>		<u>(207,318)</u>	
Net current assets			213,029		229,802
Total assets less current liabilities			<u>1,232,098</u>		<u>1,253,162</u>
Creditors: amounts falling due after more than one year	14		(109,938)		(165,684)
Net assets			<u>1,122,160</u>		<u>1,087,478</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,040,735		1,006,053	
Revaluation reserve		81,425		81,425	
		<u>1,122,160</u>		<u>1,087,478</u>	
		<u>1,122,160</u>		<u>1,087,478</u>	

The financial statements were approved by the Trustees on



N Wescombe
Trustee



E Ingvarsson
Trustee

Company registration number 1497558

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	19		81,364		30,758
Investing activities					
Purchase of tangible fixed assets		(4,241)		-	
Proceeds from disposal of tangible fixed assets		250		-	
Investment income received		44,073		27,740	
Net cash generated from investing activities			40,082		27,740
Financing activities					
Proceeds from new bank loans		-		90,000	
Repayment of bank loans		(51,208)		(59,741)	
Net cash (used in)/generated from financing activities			(51,208)		30,259
Net increase in cash and cash equivalents			70,238		88,757
Cash and cash equivalents at beginning of year			271,293		182,536
Cash and cash equivalents at end of year			<u>341,531</u>		<u>271,293</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Swedish Folk High School is a private company limited by guarantee incorporated in England and Wales. The registered office is Loxdale, Locks Hill, Portslade, East Sussex, BN41 2LA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 charity is a Public Benefit Entity as defined by FRS 102.

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

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

The accounts comply with FRS 102.

1.2 Going concern

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

1.3 Charitable funds

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

The charity established a designated fund as a reserve to protect against industry downturn, perform emergency repair work, or other uses at the discretion of the trustees. In normal years, the fund shall equate to 30% of the annual surplus. Due to the difficult conditions created by the Covid-19 pandemic no amount was transferred to this reserve in 2021 or 2022.

1.4 Income

Grant and rental income are included on a receivable basis. Course fees received in advance are deferred.

Funds received as Agent relating to accommodation are not recognised in the accounts.

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.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

(Continued)

1 Accounting policies

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Charitable expenditure are expenses incurred directly in pursuance of the charity's principal activity and support costs relating to this activity.

Support costs are those incurred in connection with running the charity that enables the charitable activity to be undertaken.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

The Charity has a policy of capitalising fixed assets that cost in excess of £250.

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

Freehold land and buildings	2% straight line (where above residual value)
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land and buildings. The Charity has a policy of high maintenance of the building and the trustees feel that this leads to a high residual value such that depreciation would not be material.

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

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

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

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoings resources.

1.13 Funds

The funds of the charity are all unrestricted.

1.14 Value added tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

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

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

3 Grants

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Grants Receivable	262,640	262,110

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Incoming resources from charitable activities	521,776	90,907

Funds received as agent not recognised in the accounts £318,083 (2021: £114,109)

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental Income	44,073	27,740

THE SWEDISH FOLK HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

6 Government grants

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Government grants	6,343	71,719

During the year the charity received grants under the Kickstart Scheme.

7 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Staff costs		
Depreciation and impairment	384,153	267,966
Commission and discounts	6,356	7,787
Material / library / student	31,008	2,048
Sport hall costs	207,924	52,682
Staff canteen / welfare / entertainment	767	-
Building costs	11,055	4,180
Marketing costs	80,679	44,183
Bus passes	8,479	7,084
Other administration costs - main	15,550	16
Representation / British Council	26,448	19,837
Subscriptions and professional fees	3,837	3,708
Bank charges	1,943	2,401
Loan interest	1,709	970
Loss on disposal of tangible fixed assets	6,286	7,423
	1,926	-
	<u>788,120</u>	<u>420,285</u>
Share of governance costs (see note)	12,030	9,679
	<u>800,150</u>	<u>429,964</u>

Governance costs include payments to the auditors for audit fees of £5,200 (2021: £5,200) and non-audit fees £4,100 (2021: £4,100)

Included in expenditure above are operating lease payments of £3,744 (2021: £3,744)

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity. All costs above relate directly to the one activity of running of the school, support costs including payroll and finance are not considered material to disclose separately as support costs.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Furthermore no expenses were reimbursed to the trustees during the current or prior year.

9 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	6	4
Administrative	12	6
Teaching	1	2
Premises	<u>19</u>	<u>12</u>
Total	<u><u>19</u></u>	<u><u>12</u></u>
	2022	2021
	£	£
	353,611	246,743
Wages and salaries	20,875	12,983
Social security costs	9,667	8,240
Other pension costs	<u>384,153</u>	<u>267,966</u>
	<u><u>384,153</u></u>	<u><u>267,966</u></u>

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2022				
Additions	1,000,000	181,546	12,620	1,194,166
Disposals	-	4,241	-	4,241
	-	-	(11,820)	(11,820)
At 31 December 2022	1,000,000	185,787	800	1,186,587
Depreciation and impairment				
At 1 January 2022				
Depreciation charged in the year	-	160,552	10,254	170,806
Eliminated in respect of disposals	-	6,309	47	6,356
	-	-	(9,644)	(9,644)
At 31 December 2022	-	166,861	657	167,518
Carrying amount				
At 31 December 2022	1,000,000	18,926	143	1,019,069
At 31 December 2021	1,000,000	20,994	2,366	1,023,360

On adoption of FRS 102 the deemed cost exemption was applied to land and buildings with a carrying value of £1,000,000.

At the 31 December 2022, had the revalued assets been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately £918,575 (2021: £918,575).

11 Debtors

Amounts falling due within one year:	2022	2021
	£	£
Trade debtors		
Other debtors	152,418	139,323
Prepayments and accrued income	16,424	9,017
	72,023	17,487
	240,865	165,827

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Loans and overdrafts		2022 £	2021 £
Bank loans		<u>138,119</u>	<u>189,327</u>
Payable within one year		28,181	23,643
Payable after one year		<u>109,938</u>	<u>165,684</u>
Amounts included above which fall due after five years:			
Payable by instalments		<u>2,789</u>	<u>34,755</u>
The long-term loans are secured by fixed charges over the freehold land and building.			
13 Creditors: amounts falling due within one year		2022 £	2021 £
	Notes		
Bank loans	12	28,181	23,643
Other taxation and social security		5,226	3,923
Deferred income	15	271,674	153,978
Trade creditors		43,486	4,066
Other creditors		5,787	1,499
Accruals		15,013	20,209
		<u>369,367</u>	<u>207,318</u>
14 Creditors: amounts falling due after more than one year		2022 £	2021 £
Bank loans	12	<u>109,938</u>	<u>165,684</u>
15 Deferred income		2022 £	2021 £
Arising from course fees		<u>271,674</u>	<u>153,978</u>

Deferred income is included in the financial statements as follows:

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Deferred income

(Continued)

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	271,674	153,978
Movements in the year:		
Deferred income at 1 January 2022	153,978	54,802
Released from previous periods	(153,978)	(54,802)
Resources deferred in the year	271,674	153,978
Deferred income at 31 December 2022	271,674	153,978

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

The charge to profit or loss in respect of defined contribution schemes was £9,667 (2021: £8,240). The amount due to the pension scheme at the balance sheet date £944 (2021: £681).

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	3,744	3,744
Between two and five years	12,096	8,064
	15,840	11,808

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	55,440	53,394

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

(Continued)

18 Related party transactions

Trustees

There are no related party transactions with any trustees for both the current and prior year.

	2022 £	2021 £
19 Cash generated from operations		
Surplus for the year	34,682	22,512
Adjustments for:		
Investment income recognised in statement of financial activities	(44,073)	(27,740)
Loss on disposal of tangible fixed assets	1,926	-
Depreciation and impairment of tangible fixed assets	6,356	7,787
Movements in working capital:		
(Increase) in debtors	(75,038)	(61,004)
Increase/(decrease) in creditors	39,815	(9,973)
Increase in deferred income	117,696	99,176
Cash generated from operations	<u>81,364</u>	<u>30,758</u>

20 Analysis of changes in net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	271,293	70,238	341,531
Loans falling due within one year	(23,643)	(4,538)	(28,181)
Loans falling due after more than one year	(165,684)	55,746	(109,938)
	<u>81,966</u>	<u>121,446</u>	<u>203,412</u>

THE SWEDISH FOLK HIGH SCHOOL

England & Wales - Charity number 280428

Accounts

Charity Registration No. 280428

Company Registration No. 1497558 (England and Wales)

THE SWEDISH FOLK HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE SWEDISH FOLK HIGH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Sanders N Wescombe R Danielsson E Ingvarsson	(Appointed 23 February 2021) (Appointed 23 February 2021)
Secretary and Principal	A Thatcher	
Charity number	280428	
Company number	1497558	
Registered office	Loxdale Locks Hill Portslade East Sussex BN41 2LA	
Auditor	West & Berry Limited Mocatta House Trafalgar Place Brighton BN1 4DU	

THE SWEDISH FOLK HIGH SCHOOL

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THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Please refer to Legal and Administrative Information page for charity statutory information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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

The school was established for the advancement, promotion and furtherance of public education.

The charity's main objective is the provision of high-quality educational courses for foreign students. The policy continues to be to utilise the funds supplied by Folkhogskola Braheskolan and the charity's assets in the most efficient and effective manner for the benefit of the students.

The involvement of Folkhogskola Braheskolan enables the charity to concentrate on the education of the students. The charity also supplies conference and sports facilities to the local community.

The objectives of The Swedish Folk High School for the year were to:

- Continue to provide high quality educational courses for foreign students, online when necessary.
- Guard against a decline in student numbers through maintaining promotional activities.
- Maintain contacts with existing agents around the world and partners with accurate information about what is happening in the UK regarding Brexit and the Covid restrictions. Also, to encourage them to promote our closed courses and international adult and Young Learner courses when their markets open up after the Covid pandemic.
- Refresh our website and marketing information ready for concerted promotions in 2022.
- Improve in-house written resources and material ready for improved student numbers in 2022.

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

The charitable company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information of matters of concern to employees is given through regular meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the charity.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charitable company continues and that the appropriate training is arranged. It is the policy of the charitable company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Strategic report

The description under headings 'Achievements and performance' and 'Financial review' meet the company law requirements for the trustees to present a strategic report.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

It seemed as though we were going to be able to start the term as normal in January 2021 when another Lockdown was announced. Due to the excellent communication preparation and training that our staff had had, our students quickly settled into the online classes and school online organised activities.

Due to our high British Council scores, Loxdale was told that we were still in the top 8% of all English language teaching providers in the UK. We were awarded use of the EL Gazette Centre of Excellence logo.

The effects of Covid-19 continued to affect the work of The Swedish Folk High School. The Covid situation around the world did not improve and meant that Loxdale did not receive any closed groups for the whole year and had very few international adult students.

Instead of having to make further staff redundant, the school did not replace office staff when they gave notice and other staff picked up the work. Non-teaching staff have been wonderful in diversifying the work that they were supposed to do to support the charity's work, pitching in to help with caretaking and social duties and other administration duties.

The principal also continued to attend regular Health & Safety, Employment Law and Industry specific webinars and zoom meetings to ensure that all legislation was being adhered to and that SFHS was being as fair and considerate to staff and students.

The Swedish students who study at Loxdale continue to be from all social backgrounds including immigrants to Sweden, those with mild depression, autism or Asperger's, those with an incomplete secondary education, university students and mature students. Some have a range of mental health issues that can be exasperated by the Lockdown periods and uncertainty and the school continued to provide monthly counselling sessions, support them through regular meetings and tutorials and individualising support when needed.

During the year, the principal kept up with changes to the various government schemes and employment laws and kept in regular contact with our regular agents/clients.

There were various rules throughout the year about what students had to do in the first days on their arrival in the UK and the level of self-isolation needed. The principal kept students regularly informed and supported them during these periods. Loxdale organised for meals to be delivered to the students each day, took shopping orders, and delivered these too.

The school also made sure students had lateral flow tests during the course to spot any cases of Covid early.

Throughout the year, Loxdale regularly amended their Covid procedures in accordance with both the government recommendations and the situation locally in Brighton & Hove. At various times of the year, these have included staggered class times, less students in each class, class dining rooms, one way system around the school, social distancing, masks in the communal areas, student information meetings, changes to the way students were taught so there was less movement in the classes and changes to the timetable structure so that students were not changing classes as much. The social programme was also amended so that we could continue to offer these but in a Covid safe way.

These changes minimised infections and meant that we didn't have to close the school at any time in 2021 apart from the initial government Lockdown in January/February.

Through renting out bedrooms on site, the school also managed to create a new temporary income stream. Staff also adapted to set up and care for these 3 to 4 students.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Swedish Folk High School continues to be a committed member of the English UK Special Interest Group for Young Learners and has improved its procedures and policies for working with vulnerable adults and children. Anna Thatcher, Principal is on the Board and organises training session for this group. Anna Thatcher is still involved with Sussex Safeguarding, a dedicated Safeguarding Group for language schools in Brighton.

The charity has still managed to welcome requests from various charities and members of the local community to use the sports hall and conference facilities at discounted rates.

Plans for the future include continual improvement to the school and the courses offered. The situation is looking more positive for 2022 including the start of a Chilean Young Learner course in January 2022. Summer 2022 bookings have also started to come in.

Financial review

The statement of Financial Activities shows a net income of £22,512 (2020: £63,810 net loss), total reserves stand at £1,087,478 (2020: £1,064,966) and free reserves at £64,118 (2020: £33,819).

The principal sources of income are the educational grant from Folkhogskola Braheskolan supplemented by conference, rental, the Summer School, non-Swedish students, and closed group income.

The expenditure during the year continued to be applied to staff costs and the premises running costs, supporting the objectives.

The present level of funding is considered adequate to support the continuation of The Swedish Folk High School and the trustees consider that the financial position of the charity is satisfactory.

The continued effect of Covid meant that the number of student weeks did not greatly improve in 2021. However, despite this and mostly due to the income from onsite accommodation rental and staff consolidation, Loxdale managed to secure a profit for the year. In 2021 Loxdale English Centre had a total of 1471 student weeks. (2020: 1343 student weeks, 2019: 3819 student weeks).

The Principal and Accounts Manager continue to work together to react quickly to maintain cashflow for the school, cancelling/changing any possible supplier contracts and limiting all but essential purchases.

The Swedish Folk High School was also able to use the Government Job Retention Scheme, also known as furlough scheme. This was an incredible help to the charity in being able to keep our staff employed between January and September 2021. The principal also applied for any grants that might possibly be given to the school by the government or local council.

As in 2020, the Board confirmed that their parent company, FU, is in a strong financial situation and this should serve as a guarantee. There is no threat to Loxdale's continued work over the next year. However, the Principal continues to monitor the situation closely and if a loan from FU or a bank is needed, this will be discussed in good time.

The trustees believe that maintaining reserves at current levels will provide sufficient resources in the event of further adverse conditions.

Organisational controls include an annual review of the controls over key financial systems.

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

Structure, governance and management

The charitable company is a company limited by guarantee and is therefore governed by its memorandum and articles of association.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Arnek	(Resigned 23 February 2021)
B Forkman	(Resigned 23 February 2021)
P Sanders	
N Wescombe	
R Danielsson	(Appointed 23 February 2021)
E Ingvarsson	(Appointed 23 February 2021)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Company Memorandum & Articles state that one-third of the directors must resign each year but each can be eligible for re-election should he/she and the Board wish it.

In accordance with the charity's procedures, new trustees, with an interest in the marketing and success of the charity are nominated by Stiftelsen Braheskolan. They are inducted and supported by the Chairman. The trustees are currently looking to elect one more person to the Board.

The trustees meet at least four times a year to manage the charity's affairs. At these meetings the current situation is discussed, along with the marketing process, financial position, major maintenance issues and funding. The Principal makes the day-to-day decisions in running the school and meets with one or more of the Board to discuss marketing and major financial decisions at various times. Key management remuneration is set by the Trustees.

The charity receives grant income from Folkhogskola Braheskolan on a monthly basis.

The trustees consider that the major risk to which the charity is exposed is a reduction in grant funding. However, the increase in the number of international students, closed course income and the development of the summer young learner courses are considered sufficient to mitigate this risk.

Auditor

In accordance with the company's articles, a resolution proposing that West & Berry Limited 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.



P Sanders
Trustee



N Wescombe
Trustee

24 February 2022

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of The Swedish Folk High School for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Opinion

We have audited the financial statements of The Swedish Folk High School (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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

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

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.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities Act 2011 and the Companies Act 2006.
- We obtained an understanding of how the charity is complying with the legal and regulatory frameworks by making inquiries to management.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- assessing the extent of compliance with the relevant laws and regulations.

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.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

West & Berry Ltd

Michelle Westbury FCCA (Senior Statutory Auditor)
for and on behalf of West & Berry Limited

24 February 2022

Chartered Certified Accountants
Statutory Auditor

Mocatta House
Trafalgar Place
Brighton
BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>	Notes		
Grants	3	262,110	281,847
Charitable activities	4	90,907	104,269
Investments	5	27,740	33,069
Government grants	6	71,719	76,819
Total income		<u>452,476</u>	<u>496,004</u>
<u>Expenditure on:</u>			
Charitable activities	7	429,964	559,814
Net income/(expenditure) for the year/ Net movement in funds		22,512	(63,810)
Fund balances at 1 January 2021		<u>1,064,966</u>	<u>1,128,776</u>
Fund balances at 31 December 2021		<u><u>1,087,478</u></u>	<u><u>1,064,966</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

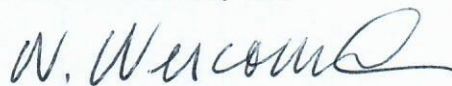
AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,023,360		1,031,147
Current assets					
Debtors	11	165,827		104,823	
Cash at bank and in hand		271,293		182,536	
		<u>437,120</u>		<u>287,359</u>	
Creditors: amounts falling due within one year	13	<u>(207,318)</u>		<u>(109,794)</u>	
Net current assets			229,802		177,565
Total assets less current liabilities			<u>1,253,162</u>		<u>1,208,712</u>
Creditors: amounts falling due after more than one year	14		(165,684)		(143,746)
Net assets			<u><u>1,087,478</u></u>		<u><u>1,064,966</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,006,053		983,541	
Revaluation reserve		<u>81,425</u>		<u>81,425</u>	
			<u>1,087,478</u>		<u>1,064,966</u>
			<u><u>1,087,478</u></u>		<u><u>1,064,966</u></u>

The financial statements were approved by the Trustees on 24 February 2022



P Sanders
Trustee



N Wescombe
Trustee

Company Registration No. 1497558

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		30,758		(145,782)
Investing activities					
Purchase of tangible fixed assets		-		(407)	
Proceeds on disposal of tangible fixed assets		-		2,820	
Investment income received		27,740		33,069	
Net cash generated from investing activities			27,740		35,482
Financing activities					
Proceeds of new bank loans		90,000		50,000	
Repayment of bank loans		(59,741)		(1,191)	
Net cash generated from financing activities			30,259		48,809
Net increase/(decrease) in cash and cash equivalents			88,757		(61,491)
Cash and cash equivalents at beginning of year			182,536		244,027
Cash and cash equivalents at end of year			271,293		182,536

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Swedish Folk High School is a private company limited by guarantee incorporated in England and Wales. The registered office is Loxdale, Locks Hill, Portslade, East Sussex, BN41 2LA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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 charity is a Public Benefit Entity as defined by FRS 102.

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

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

The accounts comply with FRS 102.

1.2 Going concern

The trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future, however, due to the impact of COVID-19 the trustees are aware of certain uncertainties which may cause doubt on the charity's ability to continue as a going concern but agree that mitigating actions taken including the availability of finance are judged sufficient that the accounts should be prepared on the basis of going concern.

1.3 Charitable funds

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

The charity has established a designated fund as a reserve to protect against industry downturn, perform emergency repair work, or other uses at the discretion of the trustees. In normal years the fund shall equate to 30% of the annual surplus. Due to the difficult conditions created by the COVID-19 pandemic no amount has been transferred to this reserve for 2021.

1.4 Income

Grant and rental income are included on a receivable basis. Course fees received in advance are deferred.

Funds received as Agent relating to accommodation are not recognised in the accounts.

Government grants are recognised when the charity becomes entitled to receive the grant.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Charitable expenditure are expenses incurred directly in pursuance of the charity's principal activity and support costs relating to this activity.

Support costs are those incurred in connection with running the charity that enables the charitable activity to be undertaken.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

The Charity has a policy of capitalising fixed assets that cost in excess of £250.

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

Freehold land and buildings	2% straight line (where above residual value)
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land and buildings. The Charity has a policy of high maintenance of the building and the trustees feel that this leads to a high residual value such that depreciation would not be material.

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoings resources.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Funds

The funds of the charity are all unrestricted.

1.14 Value added tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

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

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

3 Grants

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Grants Receivable	262,110	281,847

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Incoming resources from charitable activities	90,907	104,269

Funds received as agent not recognised in the accounts £114,109 (2020: £101,070)

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental Income	27,740	33,069
	<u>27,740</u>	<u>33,069</u>

6 Government grants

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Government grants	71,719	76,819
	<u>71,719</u>	<u>76,819</u>

During the year the charity received grants under the Governments Coronavirus Job Retention Scheme. Additionally the local authority provided Coronavirus grant funding under the scheme for small businesses.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Staff costs	267,966	336,263
Depreciation and impairment	7,787	10,382
Commission and discounts	2,048	6,016
Material / library / student	52,682	52,211
Sport hall costs	-	14
Staff canteen / welfare / entertainment	4,180	4,635
Building costs	44,183	75,782
Marketing costs	7,084	11,503
Bus passes	16	2,010
Other administration costs - main	19,837	34,146
Representation / British Council	3,708	5,941
Subscriptions and professional fees	2,401	2,163
Bank charges	970	1,110
Loan interest	7,423	6,561
Loss on disposal of tangible fixed assets	-	1,464
	<u>420,285</u>	<u>550,201</u>
Share of governance costs (see note)	9,679	9,613
	<u>429,964</u>	<u>559,814</u>

Governance costs include payments to the auditors for audit fees of £5,200 (2020: £5,200) and non-audit fees £4,100 (2020: £4,100)

Included in expenditure above are operating lease payments of £3,456 (2020: £3,456)

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity. All costs above relate directly to the one activity of running of the school, support costs including payroll and finance are not considered material to disclose separately as support costs.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Furthermore no expenses were reimbursed to the trustees during the current or prior year.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administrative	4	7
Teaching	6	10
Premises	2	2
Total	<u>12</u>	<u>19</u>

Employment costs

	2021 £	2020 £
Wages and salaries	246,743	307,508
Social security costs	12,983	18,831
Other pension costs	8,240	9,924
	<u>267,966</u>	<u>336,263</u>

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

10 Tangible fixed assets

	Freehold land and buildings £	Plant and Motor vehicles equipment £	£	Total £
Cost				
At 1 January 2021	1,000,000	181,546	12,620	1,194,166
At 31 December 2021	<u>1,000,000</u>	<u>181,546</u>	<u>12,620</u>	<u>1,194,166</u>
Depreciation and impairment				
At 1 January 2021	-	153,554	9,465	163,019
Depreciation charged in the year	-	6,998	789	7,787
At 31 December 2021	<u>-</u>	<u>160,552</u>	<u>10,254</u>	<u>170,806</u>
Carrying amount				
At 31 December 2021	<u>1,000,000</u>	<u>20,994</u>	<u>2,366</u>	<u>1,023,360</u>
At 31 December 2020	<u>1,000,000</u>	<u>27,992</u>	<u>3,155</u>	<u>1,031,147</u>

On adoption of FRS 102 the deemed cost exemption was applied to land and buildings with a carrying value of £1,000,000.

At the 31 December 2021, had the revalued assets been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately £918,575 (2020: £918,575).

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	139,323	62,137
Other debtors	9,017	8,780
Prepayments and accrued income	17,487	33,906
	<u>165,827</u>	<u>104,823</u>

12 Loans and overdrafts

	2021 £	2020 £
Bank loans	189,327	159,068
Payable within one year	23,643	15,322
Payable after one year	165,684	143,746
Amounts included above which fall due after five years:		
Payable by instalments	34,755	48,886

The long-term loans are secured by fixed charges over the freehold land and building.

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	12	23,643	15,322
Other taxation and social security		3,923	5,170
Deferred income	15	153,978	54,802
Trade creditors		4,066	20,370
Other creditors		1,499	1,288
Accruals		20,209	12,842
		<u>207,318</u>	<u>109,794</u>

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	12	165,684	143,746

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15 Deferred income

	2021 £	2020 £
Arising from course fees	153,978	54,802

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

The charge to profit or loss in respect of defined contribution schemes was £8,240 (2020: £9,924). The amount due to the pension scheme at the balance sheet date £681 (2020: £836).

17 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:

	2020			2021		
	Balance at 1 January 2020	Allocation from general reserves	Resources expended	Balance at 1 January 2021	Allocation from general reserves	Balance at 31 December 2021
	£	£	£	£	£	£
Designated Fund	15,145	-	(15,145)	-	-	-
	<u>15,145</u>	<u>-</u>	<u>(15,145)</u>	<u>-</u>	<u>-</u>	<u>-</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	1,728	3,456
Between two and five years	-	2,592
	<u>1,728</u>	<u>6,048</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	54,713	54,700

Trustees

There are no related party transactions with any trustees for both the current and prior year.

20 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	22,512	(63,810)
Adjustments for:		
Investment income recognised in statement of financial activities	(27,740)	(33,069)
(Gain)/loss on disposal of tangible fixed assets	-	1,464
Depreciation and impairment of tangible fixed assets	7,787	10,382
Movements in working capital:		
(Increase) in debtors	(61,004)	(5,047)
(Decrease) in creditors	(9,973)	(15,413)
Increase/(decrease) in deferred income	99,176	(40,289)
Cash generated from/(absorbed by) operations	30,758	(145,782)

21 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	182,536	88,757	271,293
Loans falling due within one year	(15,322)	(8,321)	(23,643)
Loans falling due after more than one year	(143,746)	(21,938)	(165,684)
	<u>23,468</u>	<u>58,498</u>	<u>81,966</u>

THE SWEDISH FOLK HIGH SCHOOL

England & Wales - Charity number 280428

Accounts

Charity Registration No. 280428

Company Registration No. 1497558 (England and Wales)

**THE SWEDISH FOLK HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE SWEDISH FOLK HIGH SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Arnek B Forkman P Sanders N Wescombe
Secretary and Principal	A Thatcher
Charity number	280428
Company number	1497558
Registered office	Loxdale Locks Hill Portslade East Sussex BN41 2LA
Auditor	West & Berry Limited Mocatta House Trafalgar Place Brighton BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

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THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

Please refer to Legal and Administrative Information page for charity statutory information.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's main objective is the provision of high quality educational courses for foreign students. The policy continues to be to utilise the funds supplied by Folkhogskola Braheskolan and the charity's assets in the most efficient and effective manner for the benefit of the students.

The involvement of Folkhogskola Braheskolan enables the charity to concentrate on the education of the students. The charity also supplies conference and sports facilities to the local community.

The initial objectives of The Swedish Folk High School for the year were to:

- Continue to provide high quality educational courses for foreign students.
- Guard against a decline in student numbers through maintaining promotional activities.
- Improve management structures and staff training.
- Increase the income provided by closed courses through more promotion and marketing to approved international agents.
- Update the website with much more detailed information about our courses ready translations and for a concerted marketing campaign in 2020.
- Continue with, and improve, the Summer Young Learner course programme.
- Make considerable improvements to the buildings in terms of refurbishment.

However, with the onset of the Covid-19 pandemic in the UK, these had to be revised to become:

- To adapt and train staff with regards on online teaching so that we could continue to provide high quality educational courses for foreign students.
- Guard against a decline in student numbers through maintaining promotional activities.
- Keep in close contact with our existing agents to support them and keep aware of the world markets.
- Update the website with much more detailed information about our courses ready translations and for a concerted marketing campaign in 2021.

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

The charitable company's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information of matters of concern to employees is given through regular meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the charity.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charitable company continues and that the appropriate training is arranged. It is the policy of the charitable company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

The description under headings 'Achievements and performance' and 'Financial review' meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

January saw a very successful Young Learner programme and a full British Council inspection. Over two and half days two inspectors visited hosts, interviewed staff and students, delved into all the paperwork relating to staff, safeguarding and courses, inspected the buildings, saw activities and observed all teachers twice on both the adult and Young Learner course.

In March we had the results to show that Loxdale English Centre/Swedish Folk High School achieved 12 out of a potential 15 strengths. This result puts Loxdale into the top 8% of all English language teaching providers in the UK. Later that year it would also mean that we were awarded use of the EL Gazette Centre of Excellence logo.

The effects of Covid-19 on the work of The Swedish Folk High School have been extreme and started with cancellations in January for February groups, even before cases were wide-spread in the UK. The three primary markets in the Spring for Young Learners are Italy, Spain and Japan. All of these markets felt the effects of Covid earlier than the UK.

Having seen how Covid was affecting the Far East in January/February, Loxdale moved quickly to start training their staff in online teaching techniques in February and early March. By the time the first Lockdown was announced, students had been forewarned and staff were ready so that there was no break in the teaching programme. Online social activities were developed so that students continued to be involved and social.

Although our existing students continued with their classes, all Young Learner groups were cancelled from February onwards, including the summer students.

Teachers continued teaching the adult students online but the timetable needed adjusting to fit the online teaching format. Also work had to be done to offer an online social programme and to support students with their mental health.

From the outset the Principal attended regular Health & Safety, Employment Law and Industry specific webinars and zoom meetings to ensure that all legislation was being adhered to and that SFHS was being as fair and considerate to staff and students.

The Swedish students who study at Loxdale continue to be from all social backgrounds including immigrants to Sweden, those with mild depression, autism or Asperger's, those with an incomplete secondary education, university students and mature students. Some have a range of mental health issues that can be exasperated by Lockdown periods.

During the year, the Principal had to keep up with changes to the various government schemes and employment laws, keep in regular contact with our regular agents/clients and design and promote a new range of online courses for children for the Summer months.

There were a few Young Learner students who also took part in the online Summer School. However, the online courses were a way to promote the school, keep teachers employed and expand teacher training. They did not make money.

We had a number of Swedish students studying online and in the classroom during the Autumn.

As all students had to have 14 days self-isolation on arrival and remain home if they had any symptoms, Loxdale organised for meals to be delivered to the students each day and took shopping orders and delivered these too.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Once the students were able to get into the classrooms at Loxdale, substantial changes had taken place to make the courses as Covid secure as possible. These changes included staggered class times, less students in each class, class dining rooms, one way system around the school, social distancing, masks in the communal areas, student information meetings, changes to the way students were taught so there was less movement in the classes and changes to the timetable structure so that students were not changing classes as much. The social programme was also amended so that we could continue to offer these but in a Covid safe way.

These changes meant that, although we had 4 cases of Covid during the Autumn, there was only one two-week period that we had to move to online teaching. The second Lockdown was also well managed, and students felt supported by the school.

Throughout the Autumn the Principal was also giving existing and new students advice about the arrangements for Brexit and its implications for them. She also had to organise for the Swedish Folk High School to have a European representative for Data Protection to comply with new Brexit legislation.

The Swedish Folk High School continues to be a committed member of the English UK Special Interest Group for Young Learners and has improved its procedures and policies for working with vulnerable adults and children. Anna Thatcher, Principal is on the Board. Anna Thatcher is still involved with Sussex Safeguarding, a dedicated Safeguarding Group for language schools in Brighton.

The charity has still managed to welcomed requests from various charities and members of the local community to use the sports hall and conference facilities at discounted rates.

Plans for the future include continual improvement to the school and the courses offered.

Financial review

The statement of Financial Activities shows a net loss of £63,810 (2019: £50,482 net income), total reserves stand at £1,064,966 (2019: £1,128,776) and free reserves at £33,819 (2019: £83,369).

The principal sources of income are the educational grant from Folkhogskola Braheskolan supplemented by conference, rental, the Summer School, non-Swedish students and closed group income.

The expenditure during the year continued to be applied to staff costs and the premises running costs, supporting the objectives. The charity has continued to improve upon the refurbishment and decoration of the buildings to create a better environment for both staff and students.

The present level of funding is considered adequate to support the continuation of The Swedish Folk High School and the trustees consider that the financial position of the charity is satisfactory.

The effect of Covid had a disastrous result on the number of student weeks and the income. In 2019 Loxdale English Centre had a total of 3819 student weeks and in 2020 this was 1343. In 2020 we also had £575,031 less income than in 2019.

From the start of the pandemic the Principal and Accounts Manager had to react quickly to maintain cashflow for the school, cancelling any possible supplier contracts, pausing any that could not be and prioritising those that could not be changed. The Principal also made sure that refunds were given to any clients who had paid deposits for Spring or Summer courses.

The Principal also applied for any grants that might possibly be given to the school by the government or local council. Rates relief was granted to SFHS from April 20/April 21 and Loxdale was awarded a £10,000 Brighton & Hove grant.

A cause of concern to the management was the issue of staffing, protecting vulnerable staff and being able to keep staff employed during the Lockdown and beyond. The week before Lockdown started, SFHS had to make their Caretaker redundant as the Principal could not foresee a need for one over the next 10 to 14 months.

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Most of the remaining staff were put onto the Government Job Retention Scheme, also known as furlough scheme. This was an incredible help to the charity in being able to keep our staff employed. Initially this meant that those staff could not do any other work, so the Accounts Manager, Principal and Director of Studies performed a range of roles outside of their normal work to support the school.

To ensure that SFHS could use the Furlough Scheme the Principal had to make sure that all new and existing Employment laws were adhered to and the Accountants were given all the information they needed to calculate the salary payments.

During the Summer, a government Coronavirus Business Interruption Loan became available and Loxdale borrowed £50,000 to bolster cashflow reserves in the long-term.

At this time, the furlough scheme also changed to allow for part-time work which was a help. All staff were remarkable in helping out with all kinds of jobs including cleaning the rooftops to stop flooding, picking up rubbish, clearing out guttering.

Unfortunately in August, it was felt that two more staff had to be taken off the furlough scheme as there was no chance of their jobs existing for at least 8 to 12 months.

During the Autumn, all staff had a consultation and change to their contracts to allow for shorter-working hours or temporary unpaid lay-off should Loxdale be unable to provide work for a second summer and need to preserve cashflow if the furlough scheme does not extend past the end of April 2021.

The Principal and Accounts Manager continue to ensure that cashflow is not an immediate issue for the school with regular updates to the Board about the current situation and forecasts. There was discussion in the September Board meeting about what would happen if Loxdale needed more cashflow or support after April 2021. Loxdale is confident that the 2022 market will be a strong recovery period and the Board confirmed that their parent company, FU, is in a strong financial situation and this should serve as a guarantee. There is no threat to Loxdale's continued work over the next year. However, the Principal continues to monitor the situation closely and if a loan from FU or a bank is needed, this will be discussed in good time.

The trustees believe that maintaining reserves at current levels will provide sufficient resources in the event of further adverse conditions.

Much of the surpluses from the past three years had been put away into savings accounts by the charity in order to do some larger building work/restoration projects in 2021 and for emergencies but SFHS did not want to use this until absolutely necessary.

Organisational controls include an annual review of the controls over key financial systems.

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

Structure, governance and management

The charitable company is a company limited by guarantee and is therefore governed by its memorandum and articles of association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Arnek
B Forkman
P Sanders
N Wescombe

THE SWEDISH FOLK HIGH SCHOOL

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Company Memorandum & Articles state that one-third of the directors must resign each year but each can be eligible for re-election should he/she and the Board wish it.

In accordance with the charity's procedures, new trustees, with an interest in the marketing and success of the charity are nominated by Stiftelsen Braheskolan. They are inducted and supported by the Chairman. The trustees are currently looking to elect one more person to the Board.

The trustees meet at least four times a year to manage the charity's affairs. At these meetings the current situation is discussed, along with the marketing process, financial position, major maintenance issues and funding. The Principal makes the day-to-day decisions in running the school and meets with one or more of the Board to discuss marketing and major financial decisions at various times. Key management remuneration is set by the Trustees.

The charity receives grant income from Folkhogskola Braheskolan on a monthly basis.

The trustees consider that the major risk to which the charity is exposed is a reduction in grant funding. However, the increase in the number of international students, closed course income and the development of the summer young learner courses are considered sufficient to mitigate this risk.

Auditor

In accordance with the company's articles, a resolution proposing that West & Berry Limited 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.

Peter Sanders

P Sanders

Trustee

Dated: 23 February 2021

Nick Wescombe

N Wescombe

Trustee

Dated:23 February 2021

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of The Swedish Folk High School for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Opinion

We have audited the financial statements of The Swedish Folk High School (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 December 2020 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

THE SWEDISH FOLK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SWEDISH FOLK HIGH SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 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 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

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

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.

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.

West & Berry Limited

**Michelle Westbury FCCA (Senior Statutory Auditor)
for and on behalf of West & Berry Limited**

23/02/2021
.....

**Chartered Certified Accountants
Statutory Auditor**

Mocatta House
Trafalgar Place
Brighton
BN1 4DU

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income and endowments from:</u>			
Grants	3	281,847	250,216
Charitable activities	4	104,269	770,196
Investments	5	33,069	50,623
Government grants	6	76,819	-
Total income		496,004	1,071,035
<u>Expenditure on:</u>			
Charitable activities	7	559,814	1,020,553
Net (expenditure)/income for the year/ Net movement in funds		(63,810)	50,482
Fund balances at 1 January 2020		1,128,776	1,078,294
Fund balances at 31 December 2020		1,064,966	1,128,776

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,031,147		1,045,407
Current assets					
Debtors	11	104,823		99,776	
Cash at bank and in hand		182,536		244,027	
		<u>287,359</u>		<u>343,803</u>	
Creditors: amounts falling due within one year	13	(109,794)		(163,726)	
Net current assets			177,565		180,077
Total assets less current liabilities			<u>1,208,712</u>		<u>1,225,484</u>
Creditors: amounts falling due after more than one year	14		(143,746)		(96,708)
Net assets			<u>1,064,966</u>		<u>1,128,776</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	-		15,145	
General unrestricted funds		983,541		1,032,206	
Revaluation reserve		81,425		81,425	
		<u>1,064,966</u>		<u>1,128,776</u>	
		<u>1,064,966</u>		<u>1,128,776</u>	

The financial statements were approved by the Trustees on 23 February 2021

Peter Sanders

P Sanders
Trustee

Nick Wescombe

N Wescombe
Trustee

Company Registration No. 1497558

THE SWEDISH FOLK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(145,782)		135,734
Investing activities					
Purchase of tangible fixed assets		(407)		(17,989)	
Proceeds on disposal of tangible fixed assets		2,820		-	
Investment income received		33,069		50,623	
Net cash generated from investing activities			35,482		32,634
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(1,191)		(13,082)	
Net cash generated from/(used in) financing activities			48,809		(13,082)
Net (decrease)/increase in cash and cash equivalents			(61,491)		155,286
Cash and cash equivalents at beginning of year			244,027		88,741
Cash and cash equivalents at end of year			182,536		244,027

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Swedish Folk High School is a private company limited by guarantee incorporated in England and Wales. The registered office is Loxdale, Locks Hill, Portslade, East Sussex, BN41 2LA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

The accounts comply with FRS 102.

1.2 Going concern

The trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future, however, due to the impact of COVID-19 the trustees are aware of certain uncertainties which may cause doubt on the charity's ability to continue as a going concern but agree that mitigating actions taken including the availability of finance are judged sufficient that the accounts should be prepared on the basis of going concern.

1.3 Charitable funds

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

The charity has established a designated fund as a reserve to protect against industry downturn, perform emergency repair work, or other uses at the discretion of the trustees. The fund shall equate to 30% of annual profits.

1.4 Income

Grant and rental income are included on a receivable basis. Course fees received in advance are deferred.

Funds received as Agent relating to accommodation are not recognised in the accounts.

Government grants are recognised when the charity becomes entitled to receive the grant.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered.

Charitable expenditure are expenses incurred directly in pursuance of the charity's principal activity and support costs relating to this activity.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Support costs are those incurred in connection with running the charity that enables the charitable activity to be undertaken.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

The Charity has a policy of capitalising fixed assets that cost in excess of £250.

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

Freehold land and buildings	zero
Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land and buildings. The Charity has a policy of high maintenance of the building and the trustees feel that this leads to a high residual value such that depreciation would not be material.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

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

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

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

Basic financial assets

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoings resources.

1.13 Funds

The funds of the charity are all unrestricted.

1.14 Value added tax

Value added tax is not recovered by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

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

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

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Grants

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Grants Receivable	281,847	250,216

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Incoming resources from charitable activities	104,269	770,196

Funds received as agent not recognised in the accounts £101,070 (2019: £458,405)

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental Income	33,069	50,623

6 Government grants

	Unrestricted funds	Total
	2020	2019
	£	£
Government grants	76,819	-

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Staff costs	336,263	457,247
Depreciation and impairment	10,382	15,136
Commission and discounts	6,016	31,169
Material / library / student	52,211	271,590
Sport hall costs	14	1,014
Staff canteen / welfare / entertainment	4,635	9,300
Building costs	75,782	112,872
Marketing costs	11,503	21,035
Bus passes	2,010	28,400
Other administration costs - main	34,146	45,136
Representation / British Council	5,941	5,631
Subscriptions and professional fees	2,163	1,590
Bank charges	1,110	2,984
Loan interest	6,561	4,308
Loss on disposal of tangible fixed assets	1,464	1,028
	<u>550,201</u>	<u>1,008,440</u>
Share of governance costs (see note)	9,613	12,113
	<u>559,814</u>	<u>1,020,553</u>

Governance costs include payments to the auditors for audit fees of £5,200 (2019: £5,200) and non-audit fees £4,100 (2019: £4,100)

Included in expenditure above are operating lease payments of £3,456 (2019: £3,456)

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity. All costs above relate directly to the one activity of running of the school, support costs including payroll and finance are not considered material to disclose separately as support costs.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Furthermore no expenses were reimbursed to the trustees during the current or prior year.

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Administrative	7	7
Teaching	10	18
Premises	2	3
	<hr/>	<hr/>
Total	19	28
	<hr/> <hr/>	<hr/> <hr/>

	2020	2019
	£	£
Employment costs		
Wages and salaries	307,508	420,261
Social security costs	18,831	26,987
Other pension costs	9,924	9,999
	<hr/>	<hr/>
	336,263	457,247
	<hr/> <hr/>	<hr/> <hr/>

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

10 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	1,000,000	181,139	19,320	1,200,459
Additions	-	407	-	407
Disposals	-	-	(6,700)	(6,700)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,000,000	181,546	12,620	1,194,166
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 January 2020	-	144,223	10,829	155,052
Depreciation charged in the year	-	9,331	1,052	10,383
Eliminated in respect of disposals	-	-	(2,416)	(2,416)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	153,554	9,465	163,019
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2020	1,000,000	27,992	3,155	1,031,147
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2019	1,000,000	36,916	8,491	1,045,407
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

(Continued)

On adoption of FRS 102 the deemed cost exemption was applied to land and buildings with a carrying value of £1,000,000.

At the 31 December 2020, had the revalued assets been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately £918,575 (2019: £918,575).

11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	62,137	52,629
Other debtors	8,780	12,000
Prepayments and accrued income	33,906	35,147
	<u>104,823</u>	<u>99,776</u>

12 Loans and overdrafts

	2020	2019
	£	£
Bank loans	159,068	110,259
	<u>159,068</u>	<u>110,259</u>
Payable within one year	15,322	13,551
Payable after one year	143,746	96,708
	<u>159,068</u>	<u>96,708</u>

The long-term loans are secured by fixed charges over the freehold land and building.

13 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans	12	15,322	13,551
Other taxation and social security		5,170	7,651
Deferred income	15	54,802	95,091
Trade creditors		20,370	12,919
Other creditors		1,288	6,809
Accruals and deferred income		12,842	27,705
		<u>109,794</u>	<u>163,726</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	12	143,746	96,708

15 Deferred income

	2020 £	2019 £
Arising from course fees	54,802	95,091

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund.

The charge to profit or loss in respect of defined contribution schemes was £9,924 (2019: £9,999). The amount due to the pension scheme at the balance sheet date £836 (2019: £1,036).

17 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 2019			Movement in funds 2020		
	Allocation from general reserves £	Resources expended £	Transfers £	Balance at 1 January 2020 £	Resources expended £	Balance at 31 December 2020 £
Designated Fund	18,333	(18,333)	15,145	15,145	(15,145)	-
	<u>18,333</u>	<u>(18,333)</u>	<u>15,145</u>	<u>15,145</u>	<u>(15,145)</u>	<u>-</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Designated funds **(Continued)**

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	3,456	3,456
Between two and five years	2,592	5,184
	<u>6,048</u>	<u>8,640</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>54,700</u>	<u>55,220</u>

Trustees

There are no related party transactions with any trustees for both the current and prior year.

20 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year	(63,810)	50,482
Adjustments for:		
Investment income recognised in statement of financial activities	(33,069)	(50,623)
Loss on disposal of tangible fixed assets	1,464	1,028
Depreciation and impairment of tangible fixed assets	10,382	15,135
Movements in working capital:		
(Increase)/decrease in debtors	(5,047)	118,474
(Decrease)/increase in creditors	(15,413)	33,286
(Decrease) in deferred income	(40,289)	(32,048)
Cash (absorbed by)/generated from operations	<u>(145,782)</u>	<u>135,734</u>

THE SWEDISH FOLK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Analysis of changes in net funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	244,027	(61,491)	182,536
Loans falling due within one year	(13,551)	(1,771)	(15,322)
Loans falling due after more than one year	(96,708)	(47,038)	(143,746)
	<u>133,768</u>	<u>(110,300)</u>	<u>23,468</u>