

**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

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<b>Trustees</b>	P Sanders N Wescombe E Ingvarsson C Olsson	(Appointed 28 February 2023)
<b>Secretary</b>	A Thatcher	
<b>Charity number</b>	280428	
<b>Company number</b>	1497558	
<b>Registered office</b>	Loxdale Locks Hill Portslade East Sussex BN41 2LA	
<b>Auditor</b>	West & Berry Limited Mocatta House Trafalgar Place Brighton BN1 4DU	
<b>Bankers</b>	Natwest Bank PLC Western Avenue Chatham Maritime Chatham ME4 4RT	

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# 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

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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

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### **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 Folkhögskola 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

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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***

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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

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#### 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

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#### **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

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- 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 £
	Notes		
<b><u>Income and endowments from:</u></b>			
Grants	3	254,484	262,640
Charitable activities	4	823,036	521,776
Investments	5	38,747	44,073
Government grants	6	-	6,343
<b>Total income</b>		<u>1,116,267</u>	<u>834,832</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	<u>1,114,731</u>	<u>800,150</u>
<b>Net income for the year/ Net movement in funds</b>		1,536	34,682
Fund balances at 1 January 2023		<u>1,122,160</u>	<u>1,087,478</u>
<b>Fund balances at 31 December 2023</b>		<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 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,031,797		1,019,069
<b>Current assets</b>					
Debtors	12	235,186		240,865	
Cash at bank and in hand		434,857		341,531	
		670,043		582,396	
<b>Creditors: amounts falling due within one year</b>	14	(493,319)		(369,367)	
Net current assets			176,724		213,029
<b>Total assets less current liabilities</b>			1,208,521		1,232,098
<b>Creditors: amounts falling due after more than one year</b>	15		(84,825)		(109,938)
<b>Net assets</b>			1,123,696		1,122,160
<b>Income funds</b>					
<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 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		101,627		81,364
<b>Investing activities</b>					
Purchase of tangible fixed assets		(21,687)		(4,241)	
Proceeds from disposal of tangible fixed assets		-		250	
Investment income received		38,747		44,073	
<b>Net cash generated from investing activities</b>			17,060		40,082
<b>Financing activities</b>					
Repayment of bank loans		(25,361)		(51,208)	
<b>Net cash used in financing activities</b>			(25,361)		(51,208)
<b>Net increase in cash and cash equivalents</b>			93,326		70,238
Cash and cash equivalents at beginning of year			341,531		271,293
<b>Cash and cash equivalents at end of year</b>			434,857		341,531

# THE SWEDISH FOLK HIGH SCHOOL

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

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

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 Number	2022 Number
Administrative	6	6
Teaching	14	12
Premises	2	1
Total	22	19

#### 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
	474,291	384,153

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 £
<b>Cost</b>				
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
<b>Depreciation and impairment</b>				
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
<b>Carrying amount</b>				
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

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
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
<b>Cash generated from operations</b>	<b>101,627</b>	<b>81,364</b>

### 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>