

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
THE ELIZABETH FOUNDATION**

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
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THE ELIZABETH FOUNDATION

**Contents of the Financial Statements
for the Year Ended 31 March 2022**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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

AIMS AND OBJECTIVES

The Elizabeth Foundation's objects are the relief of deaf and hard of hearing children and adults by the provision of help and assistance to them and their families and by the promotion of the early detection of deafness and hearing loss in babies and young children, and the promotion of high-quality audiological care and support for all.

To further these objects, The Elizabeth Foundation has adopted the mission to facilitate early diagnosis for babies and pre-school children with all degrees of deafness, and provide comprehensive educational and support services for them and their families. By doing so we enable these children to develop their listening and spoken language skills, build their self-esteem, and give parents the confidence and knowledge to make informed decisions on behalf of their child.

The Operational Plan for 2021-22 followed five strategic goals:

Goal 1: To continue to evolve our services through ever-changing best practice to meet the diverse needs of our families

Goal 2: To seek opportunities to widen our reach, reacting positively and with flexibility to the changing needs of our families

Goal 3: To diversify fundraising to deliver services and maintain our facilities

Goal 4: To review corporate services to create resilience and build sustainable income

Goal 5: To engage a robust marketing plan both for services and for funding

Achievements and Performance

At The Elizabeth Foundation, our core services comprise of 2 baby groups, 3 toddler groups and 7 pre-school groups - with 72 families from eleven different local authorities being supported at our family centre on a regular basis during 2021-22. We provide a high-quality education programme for children and families. This includes parent/family support, monitoring and assessment for speech, language, listening and communication, an Early Years Foundation Stage Curriculum in the nursery setting, and reporting for Education Health and Care Plans/ school transition. Parents and families remain an integral part of our service provision, with family involvement at all times throughout the programme. In addition to our core services, we support families through our 3 Listen Groups - for children with Down syndrome, children with one-sided and/or conductive hearing loss, and for children with severe and complex needs. For those families who cannot access our services due to transport or distance, we have an online home learning programme called Let's Listen and Talk, an interactive programme to support families with children with hearing loss. Families from across the UK can also access our services through the Summer Residential Programme, an intensive one-week programme for the whole family.

Goal 1: To continue to evolve our services through ever-changing best practice to meet the diverse needs of our families

Our 2021/22 plans:	Our 2021/22 achievements:
<ul style="list-style-type: none"> - To continue to review our models of education for all services to ensure that we use best practice in our teaching strategies and techniques - To build skills and knowledge across our team so that we can consistently provide accurate, quantitative and qualitative data to evidence the impact of our work - To involve and engage parents and past service-users - To partner with professional organisations to ensure that families receive the highest level of support - To strengthen our partnerships with key stakeholders who collate and publish evidence of the needs of children with hearing loss, its long-term impact and the difference that early intervention can achieve - To safeguard our beneficiaries and staff through our embedded culture, processes, protocols and reporting mechanisms 	<ul style="list-style-type: none"> - We continue to provide 'Outstanding' services to children with hearing loss and their families from all across the South of England (either on-site or via Teams and Zoom when covid restrictions were in place); - All children receive termly individual education plans and parents are updated regularly with achievements and 'next-steps'; - We had our regular Ofsted inspection and once again received a rating of 'Outstanding'; - We kept in touch with all families during periods of lockdown, and we offered tele-therapy, parent education sessions and other services where possible on Zoom. We provided weekly activities and materials for parents to support their child's skill development at home, and when restrictions were eased, we resumed our face-to-face services immediately; - We completed I Can Early Talk accreditation and received the highest level of 'Specialist' accreditation - Support groups are well attended both face-to-face and through virtual sessions, and we have received positive reports of impact - Some conferences with other sector organisations were cancelled but others moved online, and we attended virtual sessions - Education staff attended training sessions on a variety of topics throughout the year, with no cost or minimal cost to the charity - We gave presentations at NDCS training days - TEF took part in two research studies during the year: we continued to work with UCL on their language and literacy project; and we attended board meetings of the parent-child interaction study. - We continue to work closely with National Deaf Children's Society, Ewing Foundation, Advanced Bionics, Cochlear, and Auditory Verbal UK - likeminded charities and businesses that are all working towards similar goals of supporting families with deaf children - We reviewed our Safeguarding policy and procedure and ensured all staff, volunteers and trustees were aware of the updates; we updated our team First Aid training and team Safeguarding Training; we added two new First-aiders to our team and two new Safeguarding leads to the team - all with the relevant training; and we attended specialist safeguarding training relevant to the needs of deaf children.

Goal 2: To seek opportunities to widen our reach, reacting positively and with flexibility to the changing needs of our families

Our 2021/22 plans:	Our 2021/22 achievements:
<ul style="list-style-type: none"> - To increase the reach and scope of services so that we can support families remotely through outreach programmes - To continue to update and develop our outreach services to meet the varied needs of families 	<ul style="list-style-type: none"> - Enrolment increased to 945 compared with 799 at the same time last year, made up of 631 families and 314 professionals. - We continued with a professional training programme about LL&T, attending virtual team meetings with sensory impairment teams across the UK; and we have sourced a new volunteer to begin to research sensory teams and CI teams in Scotland, Wales and Northern Ireland so that we can launch an awareness campaign about the resource in those areas. - We developed the toddler music programme, due to be launched in summer 2022; - Sadly, the summer programme 2021 had to be cancelled due to covid, but we have marketed and organised a summer programme for 2022.

Goal 3: To diversify fundraising to deliver services and maintain our facilities

Our 2021/22 plans:	Our 2021/22 achievements:
<ul style="list-style-type: none"> - To develop and diversify The Elizabeth Foundation's portfolio of income in order to deliver core services and maintain our facilities. - We will identify the most appropriate and timely channels to engage with our supporters, increasing awareness both locally and nationally, developing new sponsorship platforms and increasing our volunteer base. - We will develop professional networks which will increase corporate support and income, identifying potential leads from beneficiary contacts as well as through our own research. - Maintain & develop key relationships with grant funders to raise awareness of our services, contribute to positive marketing channels and secure income. 	<ul style="list-style-type: none"> - We welcomed two new members of the fundraising team and initiated a robust training and induction programme for them - Expert volunteers have been recruited to assist with administration, virtual and digital strategy and development work, but the scope for event-based volunteering continues to be constrained by the pandemic. - We held three very successful events - Rock the Foundation, Murder Mystery and our annual Golf Day; we ran well-attended Quiz nights throughout the year and held our annual Christmas fayre. - The charity featured on Comic Relief's Charity Challenge on The One Show, gaining national coverage of our work - We kept up to date with latest fundraising trends through Facebook fundraisers Page, Third Sector publications, Charity Commission guidance and the Institute of Fundraising - We organised and hosted a very successful celebration for our 40th Anniversary. - Relationship-building initiatives have included regular updates to donors across the fundraising spectrum and where safe/possible meeting with supporters face-to-face. - We planned activities and tasks for volunteers in 2021-22 to maximise their engagement and identify new volunteer opportunities. - Many supporters took up the challenge of individual fundraising to great effect.

Our 2021/22 plans (continued):	Our 2021/22 achievements (continued):
	<ul style="list-style-type: none"> - We participated in virtual community networks through the BNI and LinkedIn Local - generating awareness and new fundraising partnerships. - We have delivered presentations on our work across our supporter base and to completely new audiences via zoom and teams. - Face-to-face fundraising, most community engagement, and much of our work to develop relationships with corporate partners has been impacted by covid once again. - We fostered relationships with a number of corporate partners & their teams, including Lightning Safety Systems, Lowes Financial Management and Engie - We were successful again in attracting both new and renewed support from a range of reputable grant funding trusts and foundations including Comic Relief, Ovingdean Hall Foundation, Clearwater Marine Foundation, Hendy Foundation, HICWF, AT&T, Communication Consortium and Generation Foundation, to name but a few.

Goal 4: To review corporate services to create resilience and build sustainable income

Our 2021/22 plans:	Our 2021/22 achievements:
<ul style="list-style-type: none"> - To build up The Elizabeth Foundation's resilience and sustainability by continuing to follow a long-term approach to financial planning. - To enhance our regular income streams by developing the potential of our existing assets. - To continue to keep pace with evolving legislation & best practice concerning people management, for both staff and volunteers. - To continue to maximise the efficiency, reliability, security and safety of our corporate services functions 	<ul style="list-style-type: none"> - We kept up-to-date with evolving covid-safe best practice to keep visitors and staff safe. - We were pleased to deepen our partnership with Queen Alexandra Hospital by making additional facilities available to the audiology team and forming a new long-term arrangement with their ENT team. - We updated the staff handbook and staff contracts. - We started to assess the feasibility of several options to improve our energy efficiency. - We were able to improve the quality and coverage of our CCTV system through the generosity of our supporters Lightning Safety Systems Ltd.

Goal 5: To engage a robust marketing plan both for services and for funding

Our 2021/22 plans:	Our 2021/22 achievements:
<ul style="list-style-type: none"> - To implement social media activities that effectively engage families, professionals, funders and the wider public to increase awareness and funding. - To review the purpose and effectiveness of the website. - To create video and photographic materials to promote the charity's activities (separate to online Home Learning Programme). 	<ul style="list-style-type: none"> - We put one story from each nursery out each week on social media and invited feedback from families & professionals - We ensured all events/ fundraising are present on social media and that stakeholders were kept up-to-date with changing information due to Covid 19 and/or other factors - We published articles/ good news stories to engage and fulfil multi-audience requirements across a broad range of social media sites - We assessed opportunities to diversify social media activity including professional content around research studies, & invested in new learning for our team - We reviewed analytics of social media and adjusted our posts accordingly - A number of new case studies were developed with parents and made available online - We published a Listen Magazine and an Impact Report during the financial year - E-news continued to be sent to stakeholders to keep our supporters informed of events and happenings, while our articles have appeared in Cochlear Implant Support Group magazine, BATOD magazine, and International Journal of Birth and Parent Education. - We continue to promote our services and take soundings at networking meetings for Speech and Language Therapists, Teachers of the Deaf, Audiologists and Cochlear Implant Teams - New music therapy session materials were added to the website - We continued to develop new Speech and Language Therapy and Education support videos for parents.

OUR PLANS FOR FUTURE PERIODS

1. Education programme:

We will continue to review our models of education for all services to ensure that we use best practice in our teaching strategies and techniques.

We will continue to build skills and knowledge across our team so that we can consistently provide accurate, quantitative and qualitative data to evidence the impact of our work.

We will involve and engage parents and past service-users.

We will partner with professional organisations to ensure that families receive the highest level of support.

We will strengthen our partnerships with key stakeholders who collate and publish evidence of the needs of children with hearing loss, its long-term impact and the difference that early intervention can achieve.

We will safeguard our beneficiaries and staff through our embedded culture, processes, protocols and reporting mechanisms.

2. Outreach programmes:

We will increase the reach and scope of services so that we can support families remotely through outreach programmes.

We will continue to update and develop our outreach services to meet the varied needs of families.

3. Fundraising:

We will continue to develop and diversify The Elizabeth Foundations portfolio of income in order to deliver core services and maintain our facilities.

We will identify the most appropriate and timely channels to engage with our supporters, increasing awareness both locally and nationally, developing new sponsorship platforms and increasing our volunteer base.

We will develop professional networks which will increase corporate support and income, identifying potential leads from beneficiary contacts as well as through our own research.

We will maintain & develop key relationships with grant funders to raise awareness of our services, contribute to positive marketing channels and secure income.

4. Corporate Services:

We will build up The Elizabeth Foundation's resilience and sustainability by continuing to follow a long-term approach to financial planning.

We will enhance our regular income streams by developing the potential of our existing assets.

We will continue to keep pace with evolving legislation & best practice concerning people management, for both staff and volunteers.

We will continue to maximise the efficiency, reliability, security and safety of our corporate services functions.

5. Marketing:

We will implement social media activities that effectively engage families, professionals, funders and the wider public to increase awareness and funding.

We will review the purpose and effectiveness of the website.

We will create video and photographic materials to promote the charity's activities (separate to online HLP).

Public benefit

The trustees have referred to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011 when reviewing The Elizabeth Foundation's aims and objectives, and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

FINANCIAL REVIEW

Financial Review

The surplus for the year amounted to £341,979 (2021: £268,618). Total donations fell to £130,532 (2021: £205,390), but after excluding a single one-off receipt from the prior year total, the underlying level of donations is almost unchanged. Legacy income has always been unpredictable and beyond our control, this year coming in at £332,566 (2021: £132,425). However, in a year without furlough and covid support grants, the value of grants received fell to £249,283 (2021: £376,299).

Total expenditure reduced slightly by £12,884 to £739,576 (2021: £752,458). The main contributor to this movement was staff cost savings arising from posts becoming temporarily vacant and cover arrangements during maternity leave.

FINANCIAL REVIEW

Investment policy and objectives

The Elizabeth Foundation's investment powers are set out in its Memorandum & Articles of Association. Day to day cash flow management is delegated to the Chief Executive and senior staff, who act in accordance with policies agreed by the Trustees. In response to progress made toward the reserves policy goals set out in the section below, the Trustees have established an investment policy to maximise returns on long term reserves that need not be held in cash for any immediate practical or precautionary reason. The investment objective for such funds is to generate a return in excess of inflation over the long term, whilst also generating an income to support the charity's ongoing activities. To this end, any funds that the Trustees identify as being available for long term investment may be invested in reputable Unit Trusts open only to charities.

Reserves policy

The Elizabeth Foundation's reserves comprise those that are unrestricted, those that are unrestricted, but which have been set aside by the Trustees for a particular purpose, and those that are the subject of restrictions in law or by donors (and which therefore cannot be used for anything else). The Elizabeth Foundation currently has no endowed or permanent funds. Note 20 to the Accounts gives more information about reserves, including policies and restrictions applying to individual funds. Total funds held as at 31 March 2022 were £3,558,300 (2021: £3,216,321).

At 31 March 2022, The Elizabeth Foundation had unrestricted (but not "free") reserves of £2,364,017 in its Income & Expenditure Account. These reserves are not "free" as defined by the Statement of Recommended Practice (SORP), to the extent that they could only be realised (turned into cash) by disposing of fixed assets held for charity use (selling the buildings in which we carry out our activities). At 31 March 2022, 48% of these reserves were held in the form of fixed assets excluding quoted investments, down from 59% in 2021.

The reserves policy of The Elizabeth Foundation is to maintain a level of free reserves that will allow service continuity and sufficient time to adjust in a planned and robust manner to any significant change in resources. Having reviewed the practical application of similar policies for other organisations within the charitable and voluntary sector, which range from indicative free reserve levels of 3 months' operating expenditure to 3 years' total costs requirement, the Trustees aim to build free reserves equivalent to between 6 and 12 months' operating expenditure. At 31 March 2022, free net current assets and quoted investments held by The Elizabeth Foundation amounted to £1,233,362 (2021: £806,135) of which £nil was earmarked for expenditure on fixed assets (2021: £nil) and £1,233,362 represented free reserves in the General Fund (2021: £806,135). These free reserves amounted to 158% of total budgeted revenue costs and depreciation for the coming year, compared with a target of between 50% and 100%, (2021: 104%). However, the trustees are aware that the recent increase in free reserves is mainly due to the windfall effects of substantial legacies received over the past two years that may not be repeated in future, potentially leading to deficits.

On the basis of the annual and ongoing review of reserve levels and anticipated future cash flow, it is the opinion of the Trustees that the balance on each fund shown in the balance sheet as at 31 March 2022 (together with its anticipated income and expenditure) is adequate to fulfil that fund's obligations and the overall obligations of The Elizabeth Foundation for the next financial year, and for a period of at least 12 months from the date of this report.

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Elizabeth Foundation was established under the terms of a Trust Deed (May 1982), and then subsequently in November 1985 incorporated as a charitable company limited by guarantee. Its governing documents are accordingly the Trust Deed and Memorandum and Articles of Association (revised 1997, 1998, 2007, 2011, 2014 and 2016), which provide for a governing Board of Trustees originally known as the Council of Management. The Foundation is registered with the Charity Commission under the Charities Act 1960.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01960980 (England and Wales)

Registered Charity number

293835

Registered office

The Elizabeth Foundation
Southwick Hill Road
Cosham
Portsmouth
Hampshire
PO6 3LL

Trustees

W Al-Safi
P H Arden (Chair to 28.04.2021)
A J Given
T C R Holloway (Chair from 28.04.2021)
S J Hutchinson
I L Manuel
M Waters (resigned 28.04.22)
S R Windridge (appointed 08.05.22)

Auditors

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Elizabeth Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Knox Cropper LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 3 August 2022 and signed on its behalf by:



T C R Holloway - Trustee

Opinion

We have audited the financial statements of The Elizabeth Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 March 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice".
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, Management Override of Controls, and the increased incentive and pressure to commit fraud due to the Covid-19 environment, which were discussed and agreed by the audit team.

Our responsibilities for the audit of the financial statements (continued)

- Our approach included agreeing the charity's recognition of income to the terms of the underlying grant agreements and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Our approach was also to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our 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.



Matthew Elkins FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE
Date: 31/8/2022

THE ELIZABETH FOUNDATION

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	517,599	194,782	712,381	714,114
Charitable activities	5				
Nursery Programmes		12,784	17,829	30,613	40,217
Outreach and Other Services		167,417	-	167,417	152,118
Other trading activities	3	117,962	-	117,962	84,454
Investment income	4	19,074	-	19,074	11,942
Total		834,836	212,611	1,047,447	1,002,845
EXPENDITURE ON					
Raising funds	6	127,167	9,553	136,720	140,549
Charitable activities	7				
Nursery Programmes		165,354	173,953	339,307	338,470
Family Support		12,210	5,720	17,930	8,852
Outreach and Other Services		185,943	59,676	245,619	264,587
Total		490,674	248,902	739,576	752,458
Net gains on investments		34,108	-	34,108	18,231
NET INCOME/(EXPENDITURE)		378,270	(36,291)	341,979	268,618
Transfers between funds	20	5,296	(5,296)	-	-
Net movement in funds		383,566	(41,587)	341,979	268,618
RECONCILIATION OF FUNDS					
Total funds brought forward		1,980,451	1,235,870	3,216,321	2,947,703
TOTAL FUNDS CARRIED FORWARD		2,364,017	1,194,283	3,558,300	3,216,321

The notes form part of these financial statements

THE ELIZABETH FOUNDATION

Balance Sheet
31 March 2022

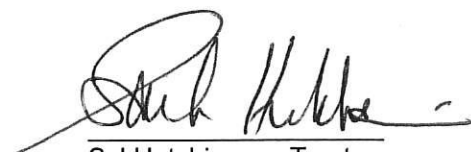
	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	2,303,116	2,390,799
Investments	15	<u>814,192</u>	<u>350,084</u>
		3,117,308	2,740,883
CURRENT ASSETS			
Stocks	16	4,856	4,689
Debtors	17	196,173	163,864
Cash at bank and in hand		<u>310,078</u>	<u>436,313</u>
		511,107	604,866
CREDITORS			
Amounts falling due within one year	18	<u>(70,115)</u>	<u>(129,428)</u>
NET CURRENT ASSETS		<u>440,992</u>	<u>475,438</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,558,300</u>	<u>3,216,321</u>
NET ASSETS		<u>3,558,300</u>	<u>3,216,321</u>
FUNDS	20		
Unrestricted funds		2,364,017	1,980,451
Restricted funds		<u>1,194,283</u>	<u>1,235,870</u>
TOTAL FUNDS		<u>3,558,300</u>	<u>3,216,321</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 3 August 2022 and were signed on its behalf by:



T C R Holloway - Trustee



S J Hutchinson - Trustee

The notes form part of these financial statements

THE ELIZABETH FOUNDATION

**Cash Flow Statement
for the Year Ended 31 March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	23	<u>297,293</u>	<u>290,388</u>
Net cash provided by operating activities		<u>297,293</u>	<u>290,388</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,186)	(23,653)
Purchase of fixed asset investments		(430,000)	(235,000)
Interest received		2,395	2,116
Dividends received		<u>11,263</u>	<u>3,413</u>
Net cash used in investing activities		<u>(423,528)</u>	<u>(253,124)</u>
Change in cash and cash equivalents in the reporting period		<u>(126,235)</u>	<u>37,264</u>
Cash and cash equivalents at the beginning of the reporting period		<u>436,313</u>	<u>399,049</u>
Cash and cash equivalents at the end of the reporting period		<u>310,078</u>	<u>436,313</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK And Republic of Ireland (FRS 102) Second Edition issued in October 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The charitable company has taken advantage of Paragraph 3 (3) Sch 4 of the Companies Act 2006 and adapted Companies Act formats of accounts to reflect the charitable nature of the company's activities.

The Elizabeth Foundation is a company limited by guarantee, incorporated in England and Wales, and has no share capital. Every member of the company guarantees to contribute a maximum of £1 on winding up. Its registered office is situated at Southwick Hill Road, Cosham, Portsmouth, PO6 3LL.

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

Critical accounting judgements and key sources of estimation uncertainty

Depreciation - The depreciation of fixed assets is based on management's estimate of their useful lives which is kept under review.

Income

INCOME FROM VOLUNTARY SOURCES AND FUNDRAISING

Income includes voluntary sources of income such as charitable donation, grants, gifts (with related tax recovery where appropriate), legacies and payroll-giving programmes, as well as organised fundraising events (some of which are run directly by The Elizabeth Foundation - classed as Fundraising Events; and some which are run by volunteers and supporters with help as necessary by The Elizabeth Foundation - classed as Donations and Gifts), appeals and collections. The cost of running these programmes during the year was £136,720 (2021: £140,549) and this is included within the heading 'raising funds' shown under Expenditure, and in Note 6. The following specific policies are applied to particular categories of voluntary income and fundraising.

-Unrestricted voluntary donations and gifts are accounted for when they are received, as this is the point at which the necessary detail becomes available to allow them to be entered into the accounting records; it is also the point at which they become sufficiently certain to be recognised. Legacies are similarly accounted for when received unless there is sufficient reliable information for them to be accounted for earlier.

- Restricted income is accounted for within Restricted Funds when it is receivable (if this has been notified to The Elizabeth Foundation). Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Expenditure related to Restricted Funds is matched to Income in accordance with the terms of the award or grant.

-Donated services, facilities, and other gifts and donations in kind are accounted for in the Statement of Financial Activities when they are received and at an appropriate value to the charity where this can be quantified and where material. Corresponding additions to Fixed Assets, Stock or operating costs are made according to the nature of the item. The value of services provided by volunteers has not been included in these accounts.

1. ACCOUNTING POLICIES - continued

Income

INCOME FROM CHARITABLE ACTIVITIES

Activities which further the charitable objectives of The Elizabeth Foundation include:

-Nursery Programmes: baby, toddler and pre-school education programmes for children who are deaf and their parents (who have chosen to develop their child's listening and spoken language skills in a natural, fun and child-centred way);

-Family Support: practical and emotional support and counselling for such parents and families delivered either at The Elizabeth Foundation Family Centre or through our Home Learning Programme;

-Outreach and other services: regular liaison with related health professionals and mainstream schools; making The Elizabeth Foundation's day to day operations open to visiting professionals and researchers to further their professional development and project work, and to disseminate our expertise as early intervention practitioners; providing leading-edge hearing testing and diagnosis facilities and equipment; and providing the counselling and support to families required to complement testing and diagnosis activities.

In some cases these activities give rise to sources of operating income from contracts, service level agreements and discretionary grants from public bodies. Most such sources are subject to annual renegotiation, local spending priorities, and availability of funds from central government, and are not directly related to the full cost to The Elizabeth Foundation of carrying out the activity. Similarly, some discretionary grants (often with restrictions as to the use of the funds) are awarded to The Elizabeth Foundation by charitable or philanthropic trusts and foundations; each grant maker will have its own stringent application and monitoring procedures, and awards are usually subject to annual renegotiation or finite periods. The costs of sourcing, negotiating, managing and reporting upon such funding arrangements are accounted for as a cost of providing the related services. Fees are charged to beneficiaries for some services, and these are often set at nominal amounts to ensure that there is no financial constraint to prevent people who need our services from being able to access them. The following specific policies are applied to particular categories of income from our charitable activities.

-Income from contracts and other forms of agreement (including some described as 'grants'), where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

-Fees are accounted for when receivable

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. The Foundation is partially exempt of VAT purposes and expenditure includes irrecoverable VAT. Expenditure is allocated to the following cost centres using methods generally accepted in the sector (the ACEVO model for cost analysis, adapted to ensure compliance with the Charities SORP):

-Costs of Raising Funds; including both direct and indirect allocations of payroll cost and administrative overhead, and direct costs associated with attracting voluntary income and carrying out fundraising activities

-Support Costs including Governance Costs; include direct and indirect costs of complying with all necessary constitutional and statutory requirements of the charitable company and its strategic management and risk assessment/management procedures

1. ACCOUNTING POLICIES - continued

Expenditure

- Charitable Activities costs; comprising those costs incurred by the charity in the delivery of its activities and services. It includes both directly attributed costs, and allocations of indirect costs and overheads that are necessary to support them and without which it would not be possible to continue them

All costs are allocated between these cost centres (expenditure categories) on a fair and consistent basis intended to reflect the use of the resource. Many types of cost include items that can be directly attributed, as well as a pool of costs that are dealt with by apportionment using an appropriate basis such as staff time allocation, estimated floor area usage, or another reasonable judgement of consumption. The information set out in Notes 6 to 8 summarises the outcome of detailed cost allocations based on the ACEVO model as explained above (this model is used to assist the charity's understanding of its cost of delivering services, and to provide a basis for full cost recovery discussions with potential funders when appropriate).

Tangible fixed assets

Assets are capitalised where their individual value exceeds £500. Fixed Assets are stated at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of valuation, less estimated residual value, of each asset evenly over its expected useful life on a straight line basis. The rates most used in each category are as follows:

Freehold property	-	50 years
Office equipment	-	4 to 5 years
Long leasehold buildings	-	5 to 50 years
Computer equipment	-	4 to 5 years
School equipment	-	5 years
Medical equipment	-	3 to 5 years
Motor vehicles	-	5 years

Where depreciation is charged against assets representing restricted and designated funds, this depreciation is charged against that fund as it arises. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are defined as grants, sponsorship and other income received or generated for the objectives of the charity without further specified purpose and which are available as general funds, but which may be required for committed projects or designated by the Trustees for specific purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. ACCOUNTING POLICIES - continued

Reserves

The Elizabeth Foundation recognises that accounting reserves are not always represented by available liquid assets. Note 20 sets out how The Elizabeth Foundation reserves ('funds') are represented at the balance sheet date. It also provides information about reserves policies, including that for the Income and Expenditure Account, and additional details is also given in the Directors' (Trustees') Report. There are two reserve targets: a longstanding target to hold between 50% and 100% of total budgeted costs for the ensuing year in accessible free reserves and a minimum cash reserve of 25% of the current year's budget.

Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The directors plan to keep the charity as a going concern as referred to in the Aims and Objectives of the Trustees' Report.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Donations	130,532	-	130,532	205,390
Legacies	332,566	-	332,566	132,425
Grants	<u>54,501</u>	<u>194,782</u>	<u>249,283</u>	<u>376,299</u>
	<u>517,599</u>	<u>194,782</u>	<u>712,381</u>	<u>714,114</u>

In addition to the legacies received in the year, the Foundation has been notified of its entitlement to further distributions from estates. The Foundation is unable to reliably estimate amounts receivable and accordingly has not recorded these as income.

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Comic Relief	50,815	75,815
Garfield Weston Foundation	25,000	25,000
Communication Consortium	25,000	25,000
BBC Children In Need	22,183	47,255
The Ardeola Charitable Trust	15,000	-
The Sobell Foundation	15,000	15,000
Generation Foundation	13,800	11,400
Ovingdean Hall Foundation	11,261	17,100
Kusuma Trust UK	11,000	-
Clearwater Marine Investments	8,780	-
The Mikado Trust	5,000	6,000
The Weinstock Fund	5,000	-
The Bailey Thomas Charitable Fund	4,000	-
AT&T	3,553	-
Ecclesiastical Insurance	3,500	2,000
John Horniman's Children's Trust	3,000	-
The Irving Memorial Trust	3,000	-
Coronavirus Job Retention Scheme	2,901	51,566
Portsmouth City Council	2,700	-
The Desmond Foundation	2,500	-
The Halbard Charitable Trust	2,500	-
The Charlotte Bonham-Carter Charitable Trust	2,040	-
The Sir Bernard & Lady Schreier Foundation	2,000	-
Victorious Festival	1,500	-
Hendy Foundation	1,200	-
Arnold Clark Community Fund	1,000	-
Sir Cliff Richard Charitable Trust	1,000	-
Emilienne Charitable Trust	1,000	1,000
FB Coales No.4 Family Trust	1,000	-
The Sir James Roll Charitable Trust	1,000	1,000
Global Make Some Noise	-	19,000
Barbara Ward Children's Foundation	-	10,000
GJW Turner Trust	-	10,000
Steel Charitable Trust	-	10,000
The National Lottery Covid Response	-	10,000
The Henry Smith Charity	-	7,500
The Boltini Trust	-	6,000
Hampshire & IoW Community Foundation	-	5,263
The Webb Family Charitable Trust	-	5,000
The Edward Gostling Foundation	-	5,000
PF Charitable Trust	-	2,000
The Louis Ross Foundation	-	2,000
University of Portsmouth	-	1,600
The Fence Club Charity	-	1,500
David Solomon's Charitable Trust	-	1,000
Other grants	2,050	2,300
	£249,283	£376,299

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fundraising events	62,732	-	62,732	29,474
Letting of charity property	55,230	-	55,230	54,980
	<u>117,962</u>	<u>-</u>	<u>117,962</u>	<u>84,454</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Solar panels	5,416	-	5,416	6,413
Fixed asset investments	11,263	-	11,263	3,413
Deposit account interest	2,395	-	2,395	2,116
	<u>19,074</u>	<u>-</u>	<u>19,074</u>	<u>11,942</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Session charges	Nursery Programmes	30,613	40,217
Audiology	Outreach and Other Services	167,228	152,358
Home learning & consultancy	Outreach and Other Services	189	(240)
		<u>198,030</u>	<u>192,335</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Staff costs	71,256	-	71,256	88,322
Insurance	157	1,935	2,092	2,248
Premises & utilities	2,333	492	2,825	2,604
Communications & IT	4,393	484	4,877	4,303
Service consumables	344	2,933	3,277	3,527
Printing & promotion	3,327	489	3,816	4,360
Other costs	1,324	13	1,337	1,550
Hire charges & event costs	27,733	-	27,733	13,345
Recruitment, ID checks, travel and subsistence	1,338	-	1,338	(384)
Carried forward	112,205	6,346	118,551	119,875

6. RAISING FUNDS - continued

Raising donations and legacies - continued

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Brought forward	112,205	6,346	118,551	119,875
Depreciation	1,147	1,996	3,143	3,088
Support costs	13,815	1,211	15,026	17,586
	<u>127,167</u>	<u>9,553</u>	<u>136,720</u>	<u>140,549</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Nursery Programmes	294,177	45,130	339,307
Family Support	15,775	2,155	17,930
Outreach and Other Services	220,359	25,260	245,619
	<u>530,311</u>	<u>72,545</u>	<u>602,856</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	330,735	340,820
Insurance	11,040	10,077
Premises & utilities	66,893	61,645
Communications & IT	5,720	3,994
Service consumables	17,569	23,149
Printing & promotion	4,071	4,695
Other costs	10,936	13,915
Recruitment, ID checks, travel and subsistence	808	734
Depreciation	82,539	82,043
	<u>530,311</u>	<u>541,072</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. SUPPORT COSTS

	Other £
Raising donations and legacies	15,026
Nursery Programmes	45,130
Family Support	2,155
Outreach and Other Services	25,260
	<u>87,571</u>

Support costs, included in the above, are as follows:

	Raising donations and legacies £	Nursery Programmes £	Family Support £
Wages	10,494	29,428	1,485
Premises & utilities	196	1,967	40
Communications & IT	1,135	3,184	161
Legal & professional fees	280	785	40
Auditor's remuneration	1,271	3,564	180
Bank charges	(5)	(14)	-
Recruitment, ID checks, travel and subsistence	385	1,080	55
Depreciation of tangible fixed assets	1,270	5,136	194
	<u>15,026</u>	<u>45,130</u>	<u>2,155</u>
		2022	2021
	Outreach and Other Services £	Total activities £	Total activities £
Wages	17,793	59,200	57,645
Premises & utilities	229	2,432	2,241
Communications & IT	1,925	6,405	10,671
Legal & professional fees	475	1,580	748
Auditor's remuneration	2,155	7,170	6,831
Bank charges	(8)	(27)	2,086
Recruitment, ID checks, travel and subsistence	653	2,173	226
Depreciation of tangible fixed assets	2,038	8,638	7,975
	<u>25,260</u>	<u>87,571</u>	<u>88,423</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	94,320	93,106
Auditors' remuneration	<u>7,170</u>	<u>6,830</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12. STAFF COSTS

	2022	2021
	£	£
Staff costs :		
Wages and salaries	405,267	417,592
Social security costs	20,709	30,455
Pension contributions	35,215	35,512
Termination payments	-	3,228
	<u>461,191</u>	<u>486,787</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Raising funds	2	2
Charitable activities	16	16
Support	<u>2</u>	<u>2</u>
	<u>20</u>	<u>20</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	<u>1</u>	<u>1</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	436,844	277,270	714,114
Charitable activities			
Nursery Programmes	13,283	26,934	40,217
Outreach and Other Services	152,118	-	152,118
Other trading activities	84,454	-	84,454
Investment income	11,942	-	11,942
Total	698,641	304,204	1,002,845
EXPENDITURE ON			
Raising funds	129,746	10,803	140,549
Charitable activities			
Nursery Programmes	127,651	210,819	338,470
Family Support	5,740	3,112	8,852
Outreach and Other Services	151,687	112,900	264,587
Total	414,824	337,634	752,458
Net gains on investments	18,231	-	18,231
NET INCOME/(EXPENDITURE)	302,048	(33,430)	268,618
Transfers between funds	4,018	(4,018)	-
Net movement in funds	306,066	(37,448)	268,618
RECONCILIATION OF FUNDS			
Total funds brought forward	1,674,385	1,273,318	2,947,703
TOTAL FUNDS CARRIED FORWARD	1,980,451	1,235,870	3,216,321

14. TANGIBLE FIXED ASSETS

	Leasehold property Portsmouth Resource Centres £	School and medical equipment £	Fixtures, fittings & office equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2021	3,397,979	242,041	168,040	19,248	3,827,308
Additions	4,587	-	2,599	-	7,186
Disposals	(9,892)	(3,810)	(4,584)	-	(18,286)
At 31 March 2022	<u>3,392,674</u>	<u>238,231</u>	<u>166,055</u>	<u>19,248</u>	<u>3,816,208</u>
DEPRECIATION					
At 1 April 2021	1,071,618	210,618	135,025	19,248	1,436,509
Charge for year	76,613	11,775	5,932	-	94,320
Eliminated on disposal	(9,343)	(3,810)	(4,584)	-	(17,737)
At 31 March 2022	<u>1,138,888</u>	<u>218,583</u>	<u>136,373</u>	<u>19,248</u>	<u>1,513,092</u>
NET BOOK VALUE					
At 31 March 2022	<u>2,253,786</u>	<u>19,648</u>	<u>29,682</u>	<u>-</u>	<u>2,303,116</u>
At 31 March 2021	<u>2,326,361</u>	<u>31,423</u>	<u>33,015</u>	<u>-</u>	<u>2,390,799</u>

The value of fully constructed long leasehold buildings (Portsmouth Resource Centres) at 31 March 2022 has been estimated for insurance purposes by the directors at £4,339,500 (2021: £4,339,500). This figure, in the opinion of the directors, closely reflects the commercial value.

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2021	350,084
Additions	430,000
Revaluations	<u>34,108</u>
At 31 March 2022	<u>814,192</u>
NET BOOK VALUE	
At 31 March 2022	<u>814,192</u>
At 31 March 2021	<u>350,084</u>

There were no investment assets outside the UK.

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

16. STOCKS

	2022	2021
	£	£
Goods for resale	3,706	2,257
Stationery and office consumables	1,150	2,432
	<u>4,856</u>	<u>4,689</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	28,183	28,636
Prepayments and accrued income	167,990	135,228
	<u>196,173</u>	<u>163,864</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	9,396	12,825
Social security and other taxes	10,573	34,031
Other creditors	840	850
Accruals	44,825	41,105
Deferred income	4,481	40,617
	<u>70,115</u>	<u>129,428</u>

The Foundation has deferred income where income has been received in advance for fundraising events and nursery session charges and where grants have been received but the Foundation has not yet met the recognition criteria.

Deferred income at 1 April 2021	40,617
Amounts released from deferred income	(40,617)
Amounts deferred this year	<u>4,481</u>
Deferred income at 31 March 2022	<u>4,481</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	1,130,655	1,172,461	2,303,116	2,390,799
Investments	814,192	-	814,192	350,084
Current assets	489,285	21,822	511,107	604,866
Current liabilities	(70,115)	-	(70,115)	(129,428)
	<u>2,364,017</u>	<u>1,194,283</u>	<u>3,558,300</u>	<u>3,216,321</u>

20. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	1,980,451	378,270	5,296	2,364,017
Restricted funds				
National Lottery Charities Board Reserve	117,633	(4,611)	-	113,022
Grants & Fees Reserve	19,386	7,732	(5,296)	21,822
Ovingdean Fixed Assets Reserve	340,227	(14,307)	-	325,920
Portsmouth Resource Centres Reserve	758,624	(25,105)	-	733,519
	<u>1,235,870</u>	<u>(36,291)</u>	<u>(5,296)</u>	<u>1,194,283</u>
TOTAL FUNDS	<u>3,216,321</u>	<u>341,979</u>	<u>-</u>	<u>3,558,300</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	834,836	(490,674)	34,108	378,270
Restricted funds				
National Lottery Charities Board Reserve	-	(4,611)	-	(4,611)
Grants & Fees Reserve	212,611	(204,879)	-	7,732
Ovingdean Fixed Assets Reserve	-	(14,307)	-	(14,307)
Portsmouth Resource Centres Reserve	-	(25,105)	-	(25,105)
	<u>212,611</u>	<u>(248,902)</u>	<u>-</u>	<u>(36,291)</u>
TOTAL FUNDS	<u>1,047,447</u>	<u>(739,576)</u>	<u>34,108</u>	<u>341,979</u>

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	1,674,385	302,048	4,018	1,980,451
Restricted funds				
National Lottery Charities Board Reserve	122,244	(4,611)	-	117,633
Grants & Fees Reserve	12,812	10,593	(4,018)	19,387
Ovingdean Fixed Assets Reserve	354,533	(14,307)	-	340,226
Portsmouth Resource Centres Reserve	783,729	(25,105)	-	758,624
	<u>1,273,318</u>	<u>(33,430)</u>	<u>(4,018)</u>	<u>1,235,870</u>
TOTAL FUNDS	<u>2,947,703</u>	<u>268,618</u>	<u>-</u>	<u>3,216,321</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	698,641	(414,824)	18,231	302,048
Restricted funds				
National Lottery Charities Board Reserve	-	(4,611)	-	(4,611)
Grants & Fees Reserve	304,204	(293,611)	-	10,593
Ovingdean Fixed Assets Reserve	-	(14,307)	-	(14,307)
Portsmouth Resource Centres Reserve	-	(25,105)	-	(25,105)
	<u>304,204</u>	<u>(337,634)</u>	<u>-</u>	<u>(33,430)</u>
TOTAL FUNDS	<u>1,002,845</u>	<u>(752,458)</u>	<u>18,231</u>	<u>268,618</u>

NATIONAL LOTTERY CHARITIES BOARD RESERVE

Some years ago, the charitable company applied for and was awarded a project grant from the National Lottery Charities Board. The grant received is subject to restrictions, and accordingly is treated as a Restricted Fund. The related assets are subject to ongoing restrictions for a period of 80 years, and the Foundation may not dispose of these assets without the prior written permission of the National Lottery Charities Board (grantor). £230,300 of the grant was spent on depreciable fixed asset additions in the year ended 31 March 1998; depreciation charged on these assets is set against the fund each year. The remaining part of the grant was for revenue purposes to fund an additional teacher, together with project management costs and by 31 March 2001 this had been fully expended. (Note - The current operating name of the Lottery Charities Board is The Big Lottery).

20. MOVEMENT IN FUNDS - continued

GRANTS AND FEES RESERVE

The Elizabeth Foundation receives restricted grants and fees for specific charitable purposes from different grant making bodies and other agencies. These funds are spent on both depreciable fixed assets and revenue expenditure. In the year to 31 March 2022 the reserve was mainly utilised on speech and language therapy projects, teaching and nursery team employment costs, technology to directly assist children's learning, classroom refurbishment, costs of running a support group for children with a temporary or milder hearing loss, the home learning programme and other costs associated with early intervention and family support activities. Transfers from this fund to general funds represent the value of fixed assets held for general purposes of the Foundation which were funded by restricted donations.

Ovingdean Hall Foundation Reserves

Ovingdean Hall Foundation: Income and Expenditure Reserve

This reserve held the unexpended restricted funds donated by the Ovingdean Hall Foundation for a range of special-purpose projects. The fund balance represented grants given but not expended towards the Test Centre refurbishment and extension. These funds had been fully utilized and transferred to the Ovingdean Hall Foundation Fixed Asset Reserve at 31 March 2015.

Ovingdean Hall Foundation (OHF): Fixed Asset Reserve

This reserve shows the amount of restricted grant from OHF that has been used for agreed purposes to purchase fixed assets for charity use. The fund balance represents grant-funded expenditure on solar panel installations, the construction of the Sunshine Memory Garden, purchase of a new minibus and carport and children's outdoor play equipment, and expenditure on the first phase of the Early Detection Centre extension project, which was completed in October 2014 and then named the Ovingdean Building. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

PORTSMOUTH RESOURCE CENTRES RESERVE

This reserve shows the receipt of past appeals and donations to raise money for the construction of The Elizabeth Foundation's educational facilities. This includes the 'Raise the Roof' appeal (including its final phase, the Baby Unit and the new storage basement beneath), and grants for playground equipment. The money has now been fully spent, and the building, its first-floor extension, Baby Unit annexe, and the playground area are included within fixed assets. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

This reserve also includes the receipts less administration costs of appeals to finance the construction and extension of the Early Detection Centre, now named the Ovingdean Building. The money has now been fully spent and the building is included in fixed assets. Depreciation charged on these assets is set against the fund each year.

FIXED ASSET EXPENDITURE RESERVE

The Fixed Asset Expenditure Reserve represents the value of unrestricted funds designated by the Board of Trustees for expenditure on fixed assets in the following year, whether or not a capital commitment existed at the balance sheet date. No such designation had been made at 31 March 2022 or 31 March 2021.

INCOME AND EXPENDITURE ACCOUNT (GENERAL FUND)

The Income and Expenditure Account represents the total of accumulated unrestricted and undesignated surpluses that The Elizabeth Foundation has generated during its history. As shown in Note 19, at 31 March 2022 most of these funds have been used over the years to build or buy the fixed assets (premises and equipment) that The Elizabeth Foundation uses to deliver its charitable services. At 31 March 2022 the Income and Expenditure account totalled £2,364,017 and was comprised of fixed assets of £1,130,655, investments £814,192, net current assets of £419,170. Further information about the Trustees' aims in respect of free reserves is set out in the Directors' Report. In particular, the Trustees consider that the charity needs to build up its liquid assets.

21. OTHER FINANCIAL COMMITMENTS

Operating Lease Commitment - Property

The Elizabeth Foundation entered a lease dated 1 March 1987 for a period of 99 years, in respect of land at Cosham which comprises the site of the Family Centre and Test Centre buildings that form the headquarters of The Elizabeth Foundation. The ground rent payable was reviewed during the previous year and at 31 March 2022 the commitments under the lease are as follows:

	2022 £	2021 £
In less than one year	10,500	9,000
In two to five years	42,000	42,000
In more than five years	618,625	629,125
	<u>671,125</u>	<u>680,125</u>

Operating Lease Commitments - Office equipment

At 31 March 2022 The Elizabeth Foundation had annual commitments under non-cancellable operating leases for office equipment as follows:

	2022 £	2021 £
In less than one year	271	271
In two to five years	1,836	1,898
In more than five years	-	-
	<u>2,107</u>	<u>2,169</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	341,979	268,618
Adjustments for:		
Depreciation charges	94,320	93,106
Gain on investments	(34,108)	(18,231)
Loss on disposal of fixed assets	549	-
Interest received	(2,395)	(2,116)
Dividends received	(11,263)	(3,413)
Increase in stocks	(167)	(1,163)
Increase in debtors	(32,309)	(66,928)
(Decrease)/increase in creditors	(59,313)	20,515
Net cash provided by operations	<u>297,293</u>	<u>290,388</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	<u>436,313</u>	<u>(126,235)</u>	<u>310,078</u>
	<u>436,313</u>	<u>(126,235)</u>	<u>310,078</u>
Total	<u>436,313</u>	<u>(126,235)</u>	<u>310,078</u>