

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Details

Status Registered

Legal form Other

Registered 1963-02-26

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

Contact

Address Old Swinford Hospital
Heath Lane
Stourbridge
DY8 1QX

Phone 01384 392859

Activities

Objects: (A) A VOLUNTARY AIDED BOARDING AND DAY SCHOOL WITH RELIGIOUS INSTRUCTION GIVEN THEREIN IN ACCORDANCE WITH THE DOCTRINES OF THE CHURCH OF ENGLAND. (B) THE AWARD OF BOARDING AWARDS AND LEAVING EXHIBITIONS FOR HIGHER EDUCATION AND PRIZE AWARDS. (C) AWARDS FOR ADVANCEMENT IN LIFE. (D) PROVIDING FOR THE SCHOOL SUCH OTHER SPECIAL BENEFITS OF ANY KIND NOT NORMALLY PROVIDED BY THE LOCAL EDUCATION AUTHORITY.

Activities: The Foundation and its endowments are administered to the benefit of the School of the Foundation, also known as Old Swinford Hospital, a Voluntary Aided boarding and day school.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Dudley

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,669,800	£779,807	£20,251,381	1
2024-03-31	£1,629,184	£802,579	£19,163,081	1
2023-03-31	£1,415,385	£811,085	£17,564,225	1
2022-03-31	£1,279,247	£1,093,100	£17,063,269	1
2021-03-31	£1,150,347	£734,950	£16,461,574	1

Trustees

Name	Role	Appointed
MALCOLM WILCOX	Chair	1997-09-09
David James Taylor		2021-06-25
Dr Robert Bruce Guthrie		2022-06-24
Ian William King		2025-03-28
John Mark Hornby		2020-12-11
Jonathan Roger Edwards		2022-10-09
PHILIP THOMAS FOLEY		1989-10-12
RUPERT THOMAS FOLEY		1991-06-14
Roger James Walker		2022-06-24

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Accounts

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS

for the year ended 31st March 2025

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025

The Feoffees present their report along with the audited financial statements for Old Swinford Hospital, of Hagley Road, Stourbridge, West Midlands, Registered Charity Number 527116, otherwise called Thomas Foley's Charity, for the year ended 31st March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Structure, governance and management

Scheme and constitution

Old Swinford Hospital is governed by the terms of a Charity Commissioners Scheme dated 16th June 1954 ('the Scheme') as amended by:

- Schemes of 2nd July 1986, 26th October 1987, 10th January 1989, 17th December 1997, 25th November 2004, and 15th July 2021;
- Modification Order of 5th January 2004, and
- Resolutions of 30th September 1999, 13th June 2000, 1st December 2005, 24th September 2009, and 23rd October 2015.

In accordance with the Scheme, 'the Foundation' means Old Swinford Hospital, at Stourbridge, founded by the will of Thomas Foley, made and published in or about the month of January 1671. Neither the Foundation nor the Trustees ('Feoffees') of the Foundation are incorporated.

Feoffees

The trustee body is a clearly identifiable 'simple' structure set up in accordance with the governing document and known as the Feoffees. The governing document provides for up to three Hereditary Feoffees, being or representing the respective male heirs of the three sons of the Founder, and up to twelve Co-optative Feoffees to be appointed by resolution of the Feoffees subject to there always being sufficient in number to provide the required number of Feoffees to sit on the Governing Body of the School of the Foundation. Co-optative Feoffees, a majority of whom shall be members of the Church of England, are elected for a five-year term, unless they held office at the inception of the Scheme, when they are elected for life. Retiring Feoffees, if eligible, may be re-elected. There are no longer any Feoffees eligible to be elected for life.

Within this remit the strategy for appointment looks to the profile of the body so that it can function to best advantage, due regard being had to skills, time and general ability to attend meetings and events, whether a potential Feoffee is willing, and able, also to be appointed to the Governing Body, the skills requirement of the Governing Body and any other interests which may be either conducive to, or conflict with, the workings of the Foundation.

Induction and training are provided so that:

- Prior to any appointment a potential Feoffee is made aware of the Foundation's purpose and aims, the scope of its remit, its financial position, current issues and the level of personal commitment required;
- Following appointment new Feoffees will be guided by the existing members, and
- Continued training and updates are given through the circulation of papers on relevant current issues, recommendations for webinar briefings or online training and the opportunity to attend Governor and Feoffee training from time to time.

At 31st March 2025 ten Feoffees were in office, two being Hereditary Feoffees and eight Co-optative. Their names are listed in the Reference & Administration section of this report.

During the year:

- At their meeting on 28th June 2024 the Feoffees elected Mr Wilcox as Chairman of the Feoffees' meetings for the year and Mr R T Foley as Vice Chairman.
- At their meeting on 6th December the Feoffees resolved to invite Mr I W King to join them as a Feoffee. Mr King accepted their invitation and signed the declaration on assumption of office on 28th March 2025 at the termly meeting.

Since the year end Mr Mason tendered his resignation as a Feoffee, retiring on 6th June 2025.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

The School of the Foundation and its Governing Body

The School of the Foundation, also known as Old Swinford Hospital, is a voluntary aided boarding and day school for both boys and girls.

The Foundation is not responsible for the running of the School but provides or nominates seven persons to sit as Foundation Governors on the Governing Body. Feoffees sitting as Foundation Governors on the Governing Body during the year were:

P T Foley FCII
R T Foley
R B Guthrie
I W King
P W Mason FCA (retired 6th June 2025)
R J Walker
M Wilcox FRICS

Until his appointment as a Feoffee, Mr King sat on the Governing Body as a Foundation Nominated Governor. After his appointment he became a Foundation Governor.

In addition, and separately from voluntary aided regulations, Feoffees may be appointed by the Governing Body to sit as Associate Members. None sat as Associate Members at any time during the year.

Organisation

The Foundation is administered by the Feoffees who meet termly or more often if they find they need to do so however:

- Messrs Hornby and Taylor have delegated authority in respect of bursary awards and other grants to individuals within the annual awards budget agreed by the Feoffees, and
- A Steward is employed to manage the day-to-day business of the trust.

Key management personnel remuneration

All of the Feoffees have an equal part to play in the business of the Foundation. Some tasks however are delegated to one or more of their number and in this respect they consider the Chairman of the Feoffees and the Steward as key management personnel of the Foundation, in charge of directing and running the day-to-day operations of the charity. They also consider those Feoffees sitting as Foundation Governors, along with the Steward who acts as Clerk to the Governing Body, to be key management personnel in providing substantial practical benefit to the School.

All Feoffees give of their time freely to both the Foundation and the School and none receive any remuneration, expenses or benefit.

The pay of the Steward is reviewed annually and normally increases in line with inflation. In assessing the appropriate salary for this role the Feoffees have regard to the diverse nature of the role and the need for a wide range of both skills and knowledge. They take into account the qualifications, skills and experience of the Steward and what she might get paid in other organisations and in particular the pay scales for senior management in the School.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Risk management

The Feoffees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage those risks and mitigate exposure as far as possible. Related to their assessment, together with what they have learned in recent times from recent challenging global social, economic and political situations, special consideration has been given to:

- Reviewing and monitoring income streams to identify sensitivities and likely concerns;
- Diversity and spread in investment portfolios to lessen overall volatility;
- Active asset management to maintain the quality of rental properties and to keep voids to a minimum;
- Keeping abreast of best practices, market overviews and sector developments allowing us to continually reassess our place in all of this;
- Building resilience by maintaining reserves levels and designating funds for specific purposes;
- Building flexed budgets based on robust assumptions and focussed on planned charitable activity but with the capacity to take on further charitable projects;
- Forecasting and liquidity to ensure income streams can service any debt, and
- Adopting safe, efficient and effective working practices to enable us to sustainably deliver charitable benefit.

The Feoffees are satisfied that they continue to manage these risks appropriately.

Governance Code

The Foundation's position in relation to this non-statutory Code has been monitored since the first edition and, in the context of the charity's simple structure and remit, the 2020 update was formally adopted in March 2021. The Feoffees continue to look to work within it as far as it is appropriate, reasonable and practicable to do so.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Reference & Administrative Details

Feoffees: **Hereditary Feoffees:**
P T Foley FCII, 1989
R T Foley, 1991

Co-optative Feoffees:
M Wilcox FRICS, 1997 (Chairman)
P W Mason FCA, 2007 (retired 6th June 2025)
J M Hornby MA, FCA, 2020
D J Taylor MI, FIH, 2021
Dr R B Guthrie, 2022
R J Walker, 2022
J R Edwards, ACII, 2022
I W King, 2025

Steward: Mrs B Hiron BA(Hons), BFP, FCA

Headmaster: P T Kilbride MA (Oxon), NPQH, FRSA

Advisors: **Auditors**
Crowe U.K. LLP
Black Country House, Rounds Green Road, Oldbury, B69 2DG

Bankers
HSBC Bank plc
114 High Street, Stourbridge, DY8 1DZ

Solicitor
Burgess Salmon LLP
One Glass Wharf, Bristol, BS2 0ZX

Investment Managers
Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

CCLA
One Angel Lane London EC4R 3AB

M&G Securities Ltd
10 Fenchurch Avenue London EC3M 5AG

Residential Letting Agent
Ian Perks Letting Agent
20-22 Hagley Road, Stourbridge, DY8 1QQ

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Objectives and activities for the public benefit

Charitable objects

The Foundation and its endowments are administered in accordance with the provisions of the Scheme to the benefit of the School of the Foundation. Over 350 years ago when Thomas Foley set up and endowed the School his aim was to provide education and entry into a trade for poor but deserving local boys. He was forward thinking enough to see that these philanthropic ideals could benefit the lives of those individuals who came to his school and his principles are as current and relevant today as they were then. The Feoffees uphold the Founder's values but like Thomas Foley each generation of Feoffees, whilst maintaining a wealth of traditional values, has been forward thinking enough not to be afraid to move with the times. Today the School operates in a modern context as a voluntary aided boarding and day school within the State education system managed by a Governing Body under the Local Authority, Dudley Metropolitan Borough Council. The Foundation manages the endowment to the benefit of the School.

In setting objectives and planning activities, the Feoffees have given careful consideration to the Charity Commission's guidance on public benefit and are confident that their aims, their activities and their future plans continue to be wholly consistent with the guidance given. They further consider that the admission of girls to boarding and to the lower school from September 2021 gave them the opportunity to broaden the sections of the public who have access to the benefits of the charity and were pleased when the Charity Commission issued a scheme to enable this.

As a Foundation the Feoffees look to support the School's Governors in meeting the aims they have set for the School and which overridingly look 'to provide an outstanding education, both within and beyond the classroom, which enables pupils to realise and exceed their potential' and, above all, 'to provide a uniquely stimulating and supportive environment in which all individuals flourish, grow in understanding, self-confidence and self-esteem and are fully equipped to meet the challenges and demands of life beyond school.' To that end the Feoffees look specifically to promote:

- Educational standards and excellence;
- The benefits that can come from a boarding education;
- Rewarding success in all fields, and
- A wide and far reaching programme of extra-curricular activities that add to the overall educational experience.

The Feoffees have put together a package of support measures that aim to ensure their objectives can be met with successful outcomes resulting in all pupils having the opportunity to benefit from their time at the School. These programmes of support are wide ranging, focussing upon individuals, groups and the whole school community. The provision of bursaries, grants to promote excellence in standards of education and welfare awards to enhance the development of the School and its environment are fundamental objects of the trust that seeks to:

- Provide boarding awards for pupils where there is a financial need;
- Encourage excellence;
- Provide some small assistance to those pupils and former pupils of the School who seek to achieve excellence in a goal beyond school and basic further education and who are, in the view of the nominated Feoffees, regarded as exceptional, and
- Work with the Headmaster and the Governing Body to provide such benefits as may be considered desirable for the School and which otherwise would not normally be provided from annual maintenance grants paid under the Education Acts.

The Foundation provides a direct public benefit by making available to the Governing Body the site and buildings comprising Old Swinford Hospital for educational use.

The Feoffees devote a great deal of their time to the School and by acting as school governors. By sitting on working parties and by advising when asked, they further enhance their charitable support. In addition, they make available the time of their Steward to provide clerking and other advice and assistance to the School and the Governing Body.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Grant making policy

As a school within the State sector, entry is open to children of secondary school age who are eligible for a state funded education. Whilst this is a very wide sector of the public the Feoffees are aware that although education is state funded, for those who board, boarding facilities attract a fee. Boarding fees are the remit of the Governing Body not the Foundation and, whilst the fee is extremely good value and very competitive, there is nevertheless a fee to pay. A package has therefore been developed which looks to support both new and existing pupils in paying boarding fees.

The provision of bursaries is fundamental to the trust. However, to be realistic and to ensure the long-term future of the support scheme, a number of principles are applied to award applicants and include, amongst others, means testing and boarding need. Bursaries may be granted for existing boarding pupils, existing pupils seeking to come into boarding (and who have been deemed, by the School, to be suitable to board) and children seeking to enter the School (and who have been offered a place at the School and have been deemed, by the School, to be suitable to board). The principal criteria for awarding bursaries to the parents of an existing boarding pupil is that there must have been a clearly identifiable, significant and unforeseen worsening in the financial circumstances of the parents such that they cannot now practicably afford the whole of the boarding fee and that there would be a clear and significant detrimental effect on the pupil's education or development were they no longer to board at the School. For those seeking to come into boarding the pupils' parents must be able to demonstrate that they cannot practicably afford the whole of the boarding fee and that there would be a clear and significant advantage to the pupil's education or development were they to board at the School. Bursaries are a contribution towards boarding fees; except in very exceptional circumstances they do not cover fees in full and in all cases parents will be expected to make every effort to obtain support from other sources, as there must be a realistic chance that the remainder of the boarding fee can be met by the parents or by others. The Feoffees have been aware of general financial pressures upon families because of economic difficulties in recent years and recognise that the scale of their support to individuals needs to be of meaningful value to make a difference. The pandemic added to this pressure, compounded then by exceptional increases in energy costs, general inflation and rapidly increasing interest rates as a measure to contain this. Whilst inflation has fallen, it is still higher than it had been on average over the year. Markets remain sensitive and the impact inflation had on household bills for example does not go away but becomes the new 'norm'. Ongoing and new geopolitical unrest add to the challenge. The practice of providing funds for future support gives us the assurance that programme funding can be met for all existing bursary pupils until they have completed their GCSE's or, if they are already in the 6th Form, until they have completed their A level or vocational qualifications. The practice of designating funds for bursary support provides us with comfort that there are also funds available to assist additional pupils, who may or may not already attend the school, and it is through these funds that the Foundation is able to assist with grants towards fees for those boarding families who have a need arising. If there are more applications than available funding priority will be given to supporting pupils already in the school.

Over the years the Feoffees have worked with the Headmaster and with other like-minded charities to achieve the best outcome for those who found themselves in need of assistance and they continually review how best to widen their support to enable more pupils, who have a need and whose families have limited means, to come into the School.

The Foundation accepts the nominations of the Headmaster for awards made from smaller specific funds and consults with him on applications for other grants to individuals including financial assistance to ensure that pupils are able to participate in academic trips, extracurricular activities and to receive music tuition.

Donations are also made to provide a range of benefits as agreed from time to time between the School and the Feoffees and that would not normally be provided from maintenance grants paid under the Education Acts.

All grants are discretionary but the schemes have been developed so that advantage can be taken of additional funding streams that may be available from other trusts, from the School's Old Boys (the Old Foleys Association) and from the School itself and which, when combined, can provide a workable support package.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Achievements and performance

The prudent management of funds, sound reserves policies, strong levels of liquidity and a balanced investment model have served the Feoffees well through recent turbulent times ensuring that the Foundation remained in a good position to continue to meet its charitable purpose in a sustainable and meaningful way. The financial outcomes for the year demonstrate sufficiency of funding and funding streams to meet the full delivery of bursary and support programmes whilst encouraging excellence in education and contributing to wider projects, providing effective help to its beneficiaries.

The School of the Foundation

As the academic year 2023/24 came to an end, there was time for further reflection on the integration of girls into the lower school for the third year before getting ready for the new school year, welcoming a fourth intake of girls as part of the School's expansion programme and opening a second girls boarding house to accommodate their growing number. It would also be the year that saw girls embark on their GCSE studies. Staffing and resources continued to be a challenge but with careful planning were managed.

The value of the governance role in developing strategy and supporting and assisting the School's leadership team remains a key element in ensuring the success of the expansion programme and in creating the infrastructure in which the School can grow, and it was in both of these key roles the Foundation could provide practical and substantial assistance. In continuing to promote learning, through the support for excellence in education programme, £4,220 was granted towards the provision of more interactive screens for classrooms, £1,395 for revision guides, £3,600 for timetabling software, £608 for external speakers and £125,766 used to develop existing teaching accommodation and learning resources. We also made a grant of £2,500 towards school maintenance and improvement and have designated funds to assist further.

Bursaries, prizes and welfare

As planned in our forecasting model, bursary spending continues to support school admissions and promote boarding so that during the year £247,068 was awarded in, or provided for, bursaries. Sustaining support in this way is one of our principal aims and part of our strategy to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees.

The practice of providing support packages in conjunction with other funding sources continues to be successful. Assistance remains focussed where it is most needed and where it was best placed to support pupils and to add value to their time at the School so key examination years and 6th form study continue to be primary criteria in assessing applications as do those pupils who would benefit from boarding. The latter still show a need for longer-term support but with the use of funds designated for bursaries the Feoffees are able to offer this support which is much in keeping with the Founder's original intent.

In making our bursary grants we were able to draw on the support of income provided by the Williams Thomas Bursary Fund, Kieran Duffy Memorial Fund, Owen Evans' Fund, Parents' Bursary Fund, Sheila Tuft Fund and William Cooper Bursary Fund which, together, contributed £5,800 towards supporting children in boarding.

In addition, we made grants totalling £2,539 towards individual music and language tuition, Lamda lessons, Duke of Edinburgh training and participation in competitive athletics, whilst the Don Williams Prize Fund provided £400 to purchase trophies for CCF.

Other welfare grants included £208 for training courses and books and £305 for subscriptions to the National Governors Association to support good governance and governor training.

Feoffees were delighted to receive donations to help with their charitable objectives of £9,458, coming from parents of pupils leaving the School, £74,269 from Old Swinford Enterprises Ltd, £1,964 from Old Swinford Services Ltd and £3,000 from the Old Foleyans Association.

The Feoffees continue to make available to the School one of the Foundation's residential investment properties for use as a temporary first aid post and changing facility in connection with the adjacent sports fields; an arrangement that is expected to continue for further playing seasons.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Portfolio development

The Feoffees continue to manage the Foundation's portfolio in a manner that maximises overall return from each element within it and in particular be vigilant for opportunities to enhance potential wherever possible.

In respect of its real estate portfolio, and having previously taken professional planning advice and set aside designated funds to assist in developing parcels of land over the next strategic land review in the borough and other authorities, the Feoffees continue to follow developments in the review process. This is a long-term project; the review is ongoing and we continue to engage with the process. Over the course of the year fees of £4,800 have been met from designated funds, all in relation to potential development. The Feoffees consider it is important to be properly advised and appraised of the progress and outcomes of the review and of the likely impact it may have upon the Foundation's assets and so choose to retain the designated fund balance for the time being.

Financial review

The Statement of Financial Activity on page 18, together with the notes thereon, show the income of the Foundation for the year to 31st March 2025, and how this income has been applied in furtherance of the objects of the Foundation.

The Foundation seeks to continue its work through the careful stewardship of its resources. Some donations are received and for this the Feoffees are most grateful but the Foundation is largely reliant on the income from its investments and property. Income from securities has remained steady and we have benefitted from better interest rates on our cash deposits, whilst both the ongoing rent review programme and licenses for short-term use of Foundation land have added to rental income. The need to maintain the quality of the Foundation's housing stock held as investment assets to protect both the capital value and the rental stream is ever present and funds have been set aside for this purpose.

Last year we had concerns that increasing interest rates were impacting significantly on the cost of debt and decided to reduce the amount borrowed. However, borrowing remained costly and following a further review it was considered expedient to use cash resources to fully repay loan funding. This has removed the cost of borrowing going forward but not to the detriment of investment income.

Gains on investment assets reflect net valuation gains as at 31st March 2025 with property providing gains but losses arising on year-end security valuations.

The Foundation does not raise funds from the public but it is happy to work with and assist the School to do so if they choose. However, no fundraising activity has taken place and no related expenditure was incurred.

The Balance Sheet as shown on page 19, and notes thereon, shows the financial position of each of the Foundation's funds as at 31st March 2025. The Feoffees are satisfied that each of the funds is adequately resourced and no fund is in deficit.

Investment policy and performance

Investment Policy

The aim of our investment portfolio is to meet the needs of present beneficiaries whilst maintaining the Foundation's purchasing power for the overall benefit of the charity in the longer term, and we seek to do this by holding a mix of investments in financial securities and in property for the twin purpose of capital appreciation and an annual income. Together each sector should contribute to meet the overall aim.

After consideration of their charitable aims and the makeup of funds available for investment, which is substantially permanent endowment, the Feoffees have determined that Financial Investment is principally more suited to the Foundation.

The core objectives of the investment portfolio are therefore to:

- Invest to produce the best financial return, balancing capital and income returns, within an acceptable level of risk;
- Ensure that the funds are properly protected so that capital is not put at undue risk and will be protected against inflation;
- Maintain the value of the Foundation's capital in real terms over the long-term, and
- Produce a consistent and sustainable return to meet expenditure on charitable objects and the governance and management of the Foundation.

In addition, the Feoffees will invest money not needed for immediate expenditure, or deposit it to earn interest if expenditure is expected soon.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

To achieve the core objectives, the Feoffees have set, as a target, a real return of approximately 3.5% p.a. (against CPI) over the investment cycle after costs.

The Foundation's requirement for income is supported by their property investments and because these deliver a strong and steady income stream, there is a degree of flexibility with regards to securities income. The investment strategy for the Foundation's securities portfolio therefore includes a mix of both income units and accumulation units. The current expectation is that the proportion invested in income units should generate an income of approximately £100,000 per annum.

The Foundation is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability. Accordingly, the Foundation has a long-term time horizon and is able to tolerate short-term capital volatility in pursuit of the long-term investment objective, the preservation of the real capital value.

To secure the widest coverage, yet limit exposure to any significant investment or sector, the Foundation's investment is placed in multi-asset common investment funds that are charity authorised investment funds. Although independently holding investment properties, the Feoffees do not cause this to be a restriction to exposure to the wider property market through investment in these funds.

Material liquidations are not envisaged, however, at least 75% of funds invested must be capable of being liquidated to cash within four weeks. Short-term cash requirements are covered by cash held in reserves and by regular distributions.

The Feoffees' investment powers are governed by the Trustee Act 2000 which sets out the general power of investment. The Foundation has no direct purposes that require an ethical approach to investment and after due consideration the Feoffees conclude that charitable purpose can be met without the need to exclude any particular product sector or taking a particular moral stance. However, they believe that responsible investment aligns with the key values and goals of the Foundation whilst also believing it drives long-term portfolio performance. In adopting this approach, the Feoffees considered several points but principally:

- The community they serve is made up of young people and young people in general care about the environment and their world and actively demonstrate this. The School teaches and encourages its pupils to have the skills, knowledge and moral guidance they will need throughout life and, with confidence as well as humility, the ability to express and defend their own values and to take pride in their achievements, knowing that they can make a difference in the world. The Feoffees want to be able to support them and demonstrate their support through their own actions in investing responsibly.
- Investing financially in a sustainable portfolio that helps drive change is the Foundation's commitment to helping its beneficiaries build and shape their lives going forward as well as creating a world where children who have yet to be born and who may come to this school can equally grow up with these values because of decisions and actions they have taken.
- The Foundation will be here in the long-term so invests sustainably in a world for the charity and its beneficiaries now and of the future. There is evidence that avoiding or making investments in companies because of their practice on environmental, social and governance factors such as climate, human rights, sustainability, community impact and board accountability is in the Foundation's best interests if it can protect or enhance the financial value of investments or returns over time.

The Feoffees are satisfied that they can invest sustainably and their choice of fund/funds will incorporate a responsible investment policy.

Fund managers will be appointed for any collective fund scheme. The Foundation has appointed two investment management firms to manage the financial investments in the endowment (excluding the direct property) on a discretionary basis in line with this policy. Investment managers provide custody of assets. For smaller restricted funds individual investments will be made in Charifund.

The Charity Investment Governance Principles

The Foundation's position in relation to this recently published non-statutory Code has been considered, in the context of the charity's simple structure and remit. Feoffees are confident their own investment policy goes beyond the basic needs will continue to work within the Code as far as it is appropriate, reasonable and practicable to do so.

Fund Managers

The fund managers appointed for the Endowment fund are Cazenove Capital and CCLA. Restricted fund investments are placed with M&G.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Marketable securities – Cazenove Capital, Multi-Asset Sustainable Fund and CCLA Charities Investment Fund

Overall, these investment funds have suffered from general market volatility which was in reaction to a number of global factors. Income remains steady but capital values continue to feel the impact. However, the Foundation has a long-term time horizon and other income streams so it is able to comfortably continue its charitable activities. From conversations with and communications from fund managers, Feoffees are aware that monitoring is in place and action has and is being taken to ensure that the funds in which they are invested are defensively and proactively managed. Since 31st March, these funds have made small recoveries.

- *Cazenove Capital, Multi-Asset Sustainable Fund*
Fund growth for the year was 0.9%, which was well below the fund's benchmark of CPI plus 4%. Income units continued to pay a dividend of 4%, which was reflected by a fall in their unit price of 2.93%.
- *CCLA Charities Investment Fund*
Fund growth for the year was -1.98%, which was well below the fund's comparator (+4.06%) and the fund's benchmark of 7.63%. Income units paid a dividend of 2.87% which was reflected in the fall in their unit price of 4.6%.

Marketable securities – COIF Charities Property Fund

Fund growth for the year was 7.08% against a comparator benchmark of 6.35%. Unit prices remained fairly static during the year and income remained steady at 5.35%

Marketable securities – M&G Charifund

The individual holdings are small and managed so as to produce a good income (5.96%). Unit value increased 4.27%.

Property

The Foundation has a number of investment properties, which generate rental income. The Foundation's residential letting agent assists with the management of housing stock, which is principally let by way of assured shorthold tenancies. The Steward manages the maintenance and repair of all property. A review of these properties was carried out in March 2025 by the residential letting agent looking at rental rates and estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Recommendations for rental uplifts are implemented as tenancies change or at an appropriate review point as is the usual practice.

Pleasingly, rental markets in the residential sector have remained buoyant. The Foundation has benefited from increasing rental rates and few void periods which is, in part, also due to keeping properties in good repair. There were only four tenancy changes, each giving the opportunity for a further rent review and there were a further 19 routine residential rent reviews.

The Foundation has two larger commercial elements to the estate, being farmland at Treherns & Racecourse Farms, which are combined into one holding, and the land let to Stourbridge Golf Club Limited. Both of these tenancies have longer-term agreements and are managed by the Steward with advice taken from appropriate agents when required. A third property, now known as Swinford Court, was added in 2020. The School's Governing Body had requested a lease on Swinford Court to accommodate its planned growth and an agreement has been drawn up and will be signed in June 2025.

Loan finance amounting to £2,485,000 from National Westminster Bank Plc, secured on Swinford Court, of which £997,828 was outstanding at the start of the year, has been fully repaid with no penalties.

Reserves policy

Unrestricted funds amount to £5,130,043 of which £3,381,657 is freely available.

The Feoffees have determined that the appropriate level of free reserves should be at least equivalent to approximately 50% of one year's forecast expenditure from income and any amounts forecast to be transferred from free reserves to designated funds in the following year. The level takes into account the various sources of the Foundation's income and its ongoing commitments and specifically:

- The level of reserves has due regard to expenditure related to an entity which holds property as part of its portfolio and at no time should the reserves designated for buildings repair and maintenance be reduced to an unrealistic level;
- In reviewing the reserves base due regard must be had to the expected needs and projects forecast in the School, the assistance which the Foundation might be able to provide to promote the future of the School and in particular the fact that Feoffees would not willingly withdraw bursary support, and
- There should be sufficient flexibility for projects as yet unplanned to be reasonably accommodated.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

The Feoffees have designated reserves to ensure that their objectives can be routinely met, that they can be sustained, and that support can remain resilient where there might be short-term fluctuations. The level of designated funds is reviewed and assessed annually at the time of reviewing future forecasts. The Feoffees are satisfied that the designated funds are sufficient for their purpose and not excessive when compared to their future expenditure forecasts, and in particular:

- The bursary programme continues to expand as planned and the level of support per pupil has grown as projected;
- The remit of the designated reserve for supporting capital maintenance projects in the School has widened and over time this will increase the rate of uptake of funds, and
- Funds set aside for supporting excellence in education will be spent in the coming year.

On this basis the level of free resources at 31st March 2025 should be at least £610,016. The Feoffees consider the current level of free resources comfortable and affords them the opportunity to explore and support future projects in line with their expectations set out below in their plans for the future.

The Feoffees have considered their reserve policy and level of reserves in the light of current financial markets and ongoing inflationary pressures and expectations and forecasts for the year ahead concluding that it continues to be a prudent approach, that there is sufficient in reserve to support their planned activity and sufficient in reserve to consider further applications for support.

Plans for the future

The School and its community have faced many challenges and financial constraints over recent years from funding cuts and increased expectations of what is to be delivered as well as from the effects of the pandemic, geopolitical unrest and price inflation but it remains a strong community with the self-belief that it can continue to be sustainable, to grow, to keep its boarding vibrant and safe and to deliver good quality teaching for its pupils. It does this in the knowledge that the Foundation is steadfast and resolute in its supporting role. It is this underlying principle that drives the Foundation's programmes to be sustainable yet adaptable and flexible. Our forecasts are built to show how the Foundation can achieve what it plans to do in the short to medium timeframe, driven by the School's direction of travel and shaped by reflections on what has happened in recent times. These plans aim to:

- Ensure the on-going sustainability of programmes of support for bursaries and welfare and continue the initiative of awarding grants for new pupil admissions in conjunction with the School's admissions process;
- Promote supported boarding places for boys and girls;
- Promote excellence in education;
- Support the development of facilities and resources to meet the needs of the growing school numbers;
- Promote equality of opportunity for both boys and girls in the school and the resources needed to facilitate this;
- Continue to provide support for the entry of girls and day pupils to the lower school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them;
- Continue support for the review of the efficiency and effectiveness of timetabled delivery of the curriculum so as to improve educational outcomes for all pupils;
- Support school governance programmes and assist in the provision of training;
- Continue to make available the time of Feoffees' Steward beyond that included in the service level agreement, and
- Offer guidance, through the governance role and wider, in meeting challenges as the School moves forward and continues on its growth path.

Bursary support remains a priority and requests for support continue. The Feoffees consider they still have sufficient designated funds to enable them to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees and that awards considered in conjunction with, but independent of, the School's admissions process is still proving to be a good way of working and is opening the boarding option to more children.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2025 continued

Through their governance role in particular, Feoffees have learned a lot about the provision of education and the challenges of school leadership, finding that the impact of issues, which include absence and mental health concerns, continue to have significant impact on both the delivery and take up of education and that this is disruptive to effective learning. They can also impact on school safeguarding, where the challenges for the safeguarding team are becoming more complex and time consuming. Welfare support has been offered to the School should they find the Foundation are able to assist them in tackling these issues in whatever way the School considers appropriate and opportunities to do this are being looked at.

It is also crucial to continue supporting the School during its growth phase and the impact of project support is easy to see. The School's relocation of departments into Swinford Court or repurposing spaces on the main campus continues, following a plan, so that each move delivers a long-term solution to providing high-class facilities in which to promote and extend learning. There is still more to do and projects are evolving. Our forecasts are built to show what scope there is for doing more and what resources we can deploy to do this.

Those Feoffees who are Governors will, during the next year, take part in the recruitment exercise to appoint a new Head for the School of the Foundation as the current incumbent will leave at the end of August 2026. All Feoffees will support the process and offer their support to whoever is appointed to take on this key role.

Feoffees' responsibilities in relation to the financial statements

The Feoffees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Feoffees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, of the Foundation for that period.

In preparing the financial statements the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Feoffees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme. They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 27th June 2025 and signed on their behalf by

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital

Opinion

We have audited the financial statements of Old Swinford Hospital for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2025 and of 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 13, the Feoffees 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 Feoffees 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 Feoffees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Feoffees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Foundation operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Foundation for fraud. The laws and regulations we considered in this context were Health and Safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Feoffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees 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 Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House,
Rounds Green Road,
Oldbury,
B69 2DG

Dated:

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

OLD SWINFORD HOSPITAL**Statement of Financial Activity for the year ended 31st March 2025**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2025 £	Total 2024 £
Income & endowments						
Donations & legacies	3	79,446	9,458	0	88,904	136,723
Charitable activities	4	27,500	0	0	27,500	27,500
Investments & property	5	1,488,633	14,113	0	1,502,746	1,414,461
Other	6	50,650	0	0	50,650	50,500
Total income & endowments		1,646,229	23,571	0	1,669,800	1,629,184
Expenditure						
<i>Raising funds</i>						
Investment management fees	9	1,281	0	7,461	8,742	11,007
Property costs	10	234,043	0	0	234,043	268,341
<i>Cost of raising funds</i>		235,324	0	7,461	242,785	279,348
<i>Charitable activities</i>						
	11					
Bursaries, prizes & welfare		399,734	9,332	0	409,066	385,242
Property costs		4,003	0	43,553	47,556	59,900
School development & support		59,148	0	0	59,148	57,608
<i>Cost of charitable activities</i>		462,885	9,332	43,553	515,770	502,750
<i>Other expenditure</i>	12	21,252	0	0	21,252	20,481
Total expenditure		719,461	9,332	51,014	779,807	802,579
<i>Net income/(expenditure) before gains/(losses) on investments</i>						
		926,768	14,239	(51,014)	889,993	826,605
Net gains/(losses) on investments	13	0	9,366	188,941	198,307	772,251
Net income/(expenditure)		926,768	23,605	137,927	1,088,300	1,598,856
Transfers between funds	14	0	0	0	0	0
Net movement in funds		926,768	23,605	137,927	1,088,300	1,598,856
Reconciliation of funds						
Net movement of funds		926,768	23,605	137,927	1,088,300	1,598,856
Total funds brought forward		4,203,275	249,150	14,710,656	19,163,081	17,564,225
Total funds carried forward		5,130,043	272,755	14,848,583	20,251,381	19,163,081

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Balance Sheet as at 31st March 2025**

		Total funds		Total funds	
		2025		2024	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	15	1,693,945		1,737,230	
Investments	16	<u>17,951,823</u>		<u>17,729,484</u>	
Total fixed assets		19,645,768		19,466,714	
Current assets					
Stock		3,376		3,442	
Debtors	17	85,626		134,312	
Cash at bank and in hand	22	<u>1,103,675</u>		<u>1,181,652</u>	
Total current assets		<u>1,192,677</u>		<u>1,319,406</u>	
Liabilities					
	18				
Creditors: amounts falling due within one year		<u>(145,160)</u>		<u>(269,437)</u>	
Net current assets/liabilities		1,047,517		1,049,969	
Total assets less current liabilities		20,693,285		20,516,683	
Creditors: amounts falling due more than one year			0	(865,590)	
Provisions for liabilities		<u>(441,904)</u>		<u>(488,012)</u>	
Net assets		<u>20,251,381</u>		<u>19,163,081</u>	
The funds of the Foundation					
Endowment funds	19	14,848,583		14,710,656	
Restricted funds	20	272,755		249,150	
Unrestricted funds	21	<u>5,130,043</u>		<u>4,203,275</u>	
Total charity funds		<u>20,251,381</u>		<u>19,163,081</u>	

Approved by the Feoffees on 27th June 2025 and signed on their behalf by

M Wilcox
Chairman

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Statement of Cash Flows for the year ended 31st March 2025**

		31 st March 2025		31 st March 2024	
	Note	£	£	£	£
Cash flows from operating activities:	23				
<i>Net cash provided by/(used in) operating activities</i>			(558,595)		(648,681)
<i>Cash flows from investing activities:</i>					
Dividends, interest & rents from investments		1,502,746		1,414,461	
Purchase of property		0		(395,000)	
Proceeds from sale of investments		0		5,677,420	
Purchase of investments		<u>(24,300)</u>		<u>(5,249,585)</u>	
<i>Net cash provided by/(used in) investing activities</i>			1,478,446		1,447,296
<i>Cash flows from financing activities:</i>					
Repayments of borrowing		<u>(997,828)</u>		<u>(1,068,593)</u>	
<i>Net cash provided by/(used in) financing activities</i>			<u>(997,828)</u>		<u>(1,068,593)</u>
<i>Change in cash & cash equivalents in the reporting period</i>			(77,977)		(269,978)
Cash & cash equivalents at the beginning of the reporting period			<u>1,181,652</u>		<u>1,451,630</u>
Cash & cash equivalents at the end of the reporting period			<u>1,103,675</u>		<u>1,181,652</u>
Analysis of cash & cash equivalents					
Cash in hand	22		<u>1,103,675</u>		<u>1,181,652</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts and accounting policies have been applied consistently throughout this year and the preceding year unless likewise stated.

The combination of the strong liquidity position, the practice of allocating funds for projects yet to be identified, the stress testing of forecasting models and the identification and assessment of income streams that may be at risk provide the Feoffees with high degrees of confidence that the charity is well placed to continue its work in a meaningful way. In particular, the Feoffees are not aware of any material uncertainties that cast significant doubt on the Foundation's ability to continue as a going concern.

Public benefit entity

The Foundation constitutes a public benefit entity as defined by FRS 102.

Funds

(i) The Foundation has a permanent endowment, which was derived from the will of Thomas Foley, made and published, in or about the month of January 1671, to be used in furtherance of the objects of the Foundation. Income arising on the endowment is wholly unrestricted.

(ii) Restricted funds are those that are to be used in accordance with donors' instructions. They were created by legacies and donations that aim to further and support charitable activities by providing for bursaries, prizes and welfare.

(iii) Unrestricted funds are those funds available for use in furtherance of the Foundation's charitable objectives and include funds designated, at the Feoffees' discretion, for specific purposes.

(iv) Transfers between Funds are at valuation unless otherwise stated.

Further details of each fund are set out in notes 19-21.

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(i) Donations & legacies

Donations are recognised when the Foundation has been notified of both the value and expected date of receipt otherwise they are accounted for on a receipts basis. Incoming resources from associated tax reclaims are included at the same time as the gift to which they relate.

(ii) Investment income

Investment income derived from deposits and securities will normally be recognised on receipt of a statement or payment advice. Where it is derived from a rental agreement it will be recognised in accordance with the payments dates and values in that agreement.

(iii) Taxation

The income of the Foundation is not subject to taxation, save for that deducted at source and irrecoverable. Value added tax is chargeable on eligible taxable supplies and, for property rental, where there is an option to tax.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

Expenditure recognition

Expenditure is charged on an accruals basis and liabilities are recognised where there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be requested and the amount of the obligation can be reliably measured.

(i) Grants

Grants made to the School of the Foundation are conditional only on their being used solely for the purpose for which they were intended. They are recognised as expenditure when the School has been notified of the award and its value.

Grants awarded for the bursary and welfare support of individuals connected with the School may have further conditions attached and, to the extent that this is the case, instalments or future payments may be withdrawn if these conditions are not met. Grants for bursary and welfare support are recognised as expenditure when the recipient has been notified of the award and its value. Grants for bursary support are generally given for one academic year (paid termly) however if they are made for more than one academic year the multi-year grant is recognised as expenditure when the recipient has been notified of the award, its term and its value.

Where the Foundation is notified that a condition attached to an award has not been met then further instalments will be suspended until a decision is reached as to whether the grant will remain payable or be withdrawn. Until such time as this decision is made the grant is recognised as probably payable.

The granting of any award for bursary support is at the sole discretion of the Feoffees and there is no obligation to continue any support programme for any period beyond that agreed with the recipient however realistically this support will probably continue although the term and value may vary. The Feoffees remain mindful that they would not seek to reduce the assistance they can provide through support programmes wherever possible, as this would probably be to the detriment of the recipient's education and which would most likely be interrupted. To reduce this risk, provision is made for continuing bursary support beyond any agreed and notified awards where there are reasonable grounds to assume that circumstances will require it to be continued and that the applicant is likely to qualify for further support. The value of any award is at the discretion of the Feoffees and so, for the purpose of establishing the value of any such provision, the current rate is used unless the Feoffees are aware of any factors which would influence the value of the award in which case these will be applied in making a judgement as to the value of the provision.

(ii) Allocation of support costs and governance

Excepting investment management fees, which are charged to endowment funds, all other costs are charged against unrestricted income. That part which might be charged against restricted funds is considered too small a proportion to reasonably calculate and apportion.

Wherever possible expenditure is allocated to the activity to which it relates. The Foundation incurs little in the way of general running and overhead costs, being administered by the Steward out of one office within the school. Support costs comprise principally staff costs, office costs and meetings costs and are allocated based on an estimate of time spent. The basis of allocation is set out in note 7.

The costs of compliance with regulation and good practice, including statutory audit fees, trustee indemnity insurance and legal fees relating to governance, together with an apportionment of support costs are disclosed as other expenditure. They neither relate to raising funds nor are they related to expenditure on charitable activities. Other expenditure is detailed in note 12 to the accounts.

(iii) Taxation

Value added tax is recoverable to the extent it is associated with an eligible taxable supply and, for properties, where there is an option to tax. Irrecoverable value added tax is charged against the category of expenditure to which it relates.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

Fixed assets

(i) Tangible fixed assets and depreciation

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation.

Expenditure on additions and major capital improvements are capitalised but contributions to school and other property repairs are charged against revenue or funds set-aside for that purpose.

Tangible fixed assets are included at cost net of grants receivable by the Foundation and, excluding freehold land, depreciated on a straight-line basis at 2% per annum.

(ii) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the following methods:

- (a) Investments on a recognised stock market are valued at quoted rates at the balance sheet date.
- (b) Investments in a collective investment scheme are valued at rates calculated and published by the respective fund manager at the balance sheet date.
- (c) Investments in land and buildings are principally included at a valuation calculated by reference to rental income capitalised at an expected average rate of return for that type of property in continued existing use.
- (d) Investment assets designated for the time being for the Foundation's own use are carried at cost and, excluding freehold land, are depreciated on a straight-line basis at 2% per annum.

Any exceptions in applying the valuation methods are set out in the relevant notes to these accounts.

The Statement of Financial Activity includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if they have been purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the yearend (as described above) and their opening carrying value or their purchase value if they have been purchased during the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising 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. They are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and are subsequently measured at their settlement value. Financial assets comprise investment in securities, debtors and cash balances and financial liabilities comprise creditors, provisions and bank loans. All of these are detailed in the notes to the accounts.

Stocks of sundry stores

Stocks of sundry stores are valued at their cost net of any deduction for impairment.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

2. Trustees' expenses, remuneration and related party transactions

Feoffees give of their time freely and willingly to both the Foundation and the School. No remuneration or expenses were paid in the year, neither did any Feoffee, or person connected with a Feoffee, receive any benefit from the Foundation.

There were no related party transactions during the year.

3. Donations

	Unrestricted funds		Restricted funds	
	2025	2024	2025	2024
	£	£	£	£
Prize fund and bursary donations	0	0	9,458	9,930
General donations	79,446	126,793	0	0
	<u>79,446</u>	<u>126,793</u>	<u>9,458</u>	<u>9,930</u>

4. Income from charitable activities

	2025	2024
	£	£
Provision of clerking and other administrative assistance to the School of the Foundation and its Governing Body	27,500	27,500

5. Investment & property income

	Unrestricted funds		Restricted funds	
	2025	2024	2025	2024
	£	£	£	£
Marketable securities – listed in the UK	114,322	116,735	14,113	13,097
Marketable securities – listed outside the UK	0	1,521	0	0
	<u>114,322</u>	<u>118,256</u>	<u>14,113</u>	<u>13,097</u>
Property	1,333,478	1,253,802	0	0
Bank & other interest	40,833	29,306	0	0
	<u>1,488,633</u>	<u>1,401,364</u>	<u>14,113</u>	<u>13,097</u>

6. Other income

	2025	2024
	£	£
Wayleaves	500	500
Property administration fees	150	0
Facilities fee	50,000	50,000
	<u>50,650</u>	<u>50,500</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

7. Allocation of support costs

	Cost of raising funds	Charitable activities	Governance	Total allocated
	£	£	£	£
Staff costs	26,225	8,741	8,741	43,707
Office services, meetings costs and general consumables	3,827	1,275	1,275	6,377
Year to 31 st March 2025	<u>30,052</u>	<u>10,016</u>	<u>10,016</u>	<u>50,084</u>
Staff costs	24,146	8,049	8,049	40,244
Office services, meetings costs and general consumables	3,598	1,199	1,199	5,996
Year to 31 st March 2024	<u>27,744</u>	<u>9,248</u>	<u>9,248</u>	<u>46,240</u>

Support costs have been apportioned between the cost of raising funds, charitable activity (excluding the provision of clerking and other administrative assistance) and governance based on an estimate of staff time being 60%, 20% and 20% respectively (2024: 60%, 20% and 20%). The provision of clerking and other administrative assistance to the School absorbs a significant number of the available hours and the staff cost of providing this is allocated to that activity. No additional support costs have been added.

8. Staff costs and remuneration of key personnel

In accordance with the provisions of the Scheme, the Feoffees continue to employ one person as Steward; a role they consider a key management position. On behalf of the Foundation the Steward also provides clerking and other administrative assistance to the School and its Governing Body.

No remuneration, expenses or benefits were paid to the Feoffees during the year (2024: £nil).

Staff costs amounted to £102,854 (2024: £97,851) and included social security costs of £5,692 (2024: £5,131) and pension contributions of £10,592 (2024: £10,213). The Steward's emoluments fall into the bracket £90,000-£100,000 (2024: £80,000-£90,000).

9. Investment management fees

	Unrestricted funds		Endowment	
	2025	2024	2025	2024
	£	£	£	£
Investment management fees	<u>1,281</u>	<u>535</u>	<u>7,461</u>	<u>10,472</u>

Investment management fees are those fees charged by fund managers for the management and administration of the Foundation's portfolio of marketable securities, managed funds and cash deposits.

10. Property costs

	2025	2024
	£	£
Property maintenance	113,542	53,040
Other property costs	2,828	3,194
Insurance	4,946	4,498
Loan interest	33,328	132,838
Letting & other professional fees	49,347	47,027
Support costs	30,052	27,744
	<u>234,043</u>	<u>268,341</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

11. Charitable activities

	2025	2024
	£	£
Bursaries, prizes & welfare from unrestricted funds		
Provision of bursaries & prizes:		
Bursaries	241,268	207,512
Prizes & other awards	2,539	2,500
Provision of welfare requests:		
Welfare	1,504	562
School Fund	213	25
Supporting excellence in education	134,981	152,986
Hospitality & functions	6,216	320
Other donations:		
Donation to St Mary's Church	4,500	4,500
	<u>391,221</u>	<u>368,405</u>
Bursaries, prizes & other support from restricted funds		
Bursaries, prizes & welfare support	6,200	6,000
Donation to Old Foleyans Association	3,132	2,976
	<u>9,332</u>	<u>8,976</u>
Total expenditure on bursaries, prizes & welfare	<u>400,553</u>	<u>377,381</u>
Property costs		
School maintenance projects from unrestricted funds	2,500	14,960
Depreciation from endowment funds	43,553	43,553
Total expenditure on property	<u>46,053</u>	<u>58,513</u>
School development & support		
Provision of clerking and other administrative assistance	59,148	57,608
Total expenditure on school development & support	<u>59,148</u>	<u>57,608</u>
Summary of expenditure on charitable activities:		
Bursaries, prizes & welfare	400,553	377,381
Property costs	46,053	58,513
School development & support	59,148	57,608
Support Costs	10,016	9,248
	<u>515,770</u>	<u>502,750</u>

The Foundation awarded grants to a number of individuals, to the School of the Foundation and to organisations directly and closely associated with the School. Individuals receiving grants are all members, or former members, of the School community.

Bursary awards were made to 53 individuals (2024: 49) to assist with the payment of boarding fees for pupils at the School. Grants were also made towards the payment of fees for individual music and language tuition, Lamda lessons, Duke of Edinburgh training, participation in competitive athletics and CCF awards.

Welfare requests are grants to the School of the Foundation.

A donation is made to St Mary's Church, Old Swinford, for the use of the church for services throughout the year by the School and in lieu of collection from the pupils of the School.

Depreciation is charged on tangible fixed assets and investment assets designated for the Foundation's own use, excluding freehold land.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

Support costs have been allocated in accordance with note 7 as follows:

	Charitable activity	Support costs	Total
	£	£	£
Bursaries, prizes and welfare	400,553	8,513	409,066
Property costs	46,053	1,503	47,556
School development & support	59,148	0	59,148
Year to 31 st March 2025	<u>505,754</u>	<u>10,016</u>	<u>515,770</u>
Bursaries, prizes and welfare	377,381	7,861	385,242
Property costs	58,513	1,387	59,900
School development & support	57,608	0	57,608
Year to 31 st March 2024	<u>493,502</u>	<u>9,248</u>	<u>502,750</u>

12. Other expenditure

	2025	2024
	£	£
Support costs	10,016	9,248
Audit fees	8,786	8,900
Indemnity insurance	2,450	2,333
	<u>21,252</u>	<u>20,481</u>

The auditors' remuneration was solely in respect of audit fees paid and payable to Crowe U.K. LLP.

13. Net gains/(losses) on investments

	Restricted funds	Endowment funds	Total 2025	Total 2024
	£	£	£	£
Gains/(losses) on:				
Disposal of marketable securities	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,077</u>
Unrealised gains/(losses) on:				
Estate property	0	85,187	85,187	5,871
Housing property	0	234,360	234,360	247,445
Marketable securities	<u>9,366</u>	<u>(130,606)</u>	<u>(121,240)</u>	<u>451,858</u>
	<u>9,366</u>	<u>188,941</u>	<u>198,307</u>	<u>705,174</u>
Total gains/(losses)	<u>9,366</u>	<u>188,941</u>	<u>198,307</u>	<u>772,251</u>

14. Transfer between funds

Within unrestricted income funds amounts were transferred to designated funds for purposes as follows:

- £80,000 (2024: £100,000) for estate and housing costs and maintenance;
- £76,233 (2024: £125,768) to support excellence in education;
- £350,000 (2024: £350,000) for bursary and scholarship awards, and
- £250,000 was transferred between investment property maintenance and school maintenance to better support campus maintenance and development.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

15. Tangible fixed assets

	Freehold		Total 2025 £	Total 2024 £
	Land £	Buildings £		
Cost or valuation:				
At 1 st April and 31 st March	387,119	2,164,243	2,551,362	2,551,362
Depreciation:				
At 1 st April	0	814,132	814,132	770,847
Charged in the year	0	43,285	43,285	43,285
At 31 st March	0	857,417	857,417	814,132
Net book value at 31st March	387,119	1,306,826	1,693,945	1,737,230

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation. They are included in the financial statements at a valuation of 1st January 1950 plus the cost of additions since that date, net of grants receivable by the Foundation. Depreciation is charged against buildings at 2% per annum on a straight-line basis.

16. Investments

	Freehold estate £	Freehold housing £	Leasehold housing £	Securities & investment fund units £	Total 2025 £	Total 2024 £
Cost or valuation:						
At 1 st April	6,140,917	3,188,184	1,988,168	6,418,383	17,735,652	16,996,236
Additions at cost	0	0	0	24,300	24,300	5,644,585
Disposals at opening book value	0	0	0	0	0	(5,610,343)
Net revaluation gains/(losses) in year	85,186	176,000	58,361	(121,240)	198,307	705,174
At 31 st March	6,226,103	3,364,184	2,046,529	6,321,443	17,958,259	17,735,652
Cost or prior valuation at 31 st March	4,290,233	1,147,927	1,590,280	5,748,383	12,776,823	12,752,523
Depreciation:						
At 1 st April	0	(6,168)	0		(6,168)	(5,900)
Charged in the year	0	(268)	0		(268)	(268)
At 31 st March	0	(6,436)	0		(6,436)	(6,168)
Net book value at 31st March	6,226,103	3,357,748	2,046,529	6,321,443	17,951,823	17,729,484
Analysis of value by fund:						
Unrestricted funds	0	0	0	4,539,902	4,539,902	3,534,678
Restricted funds	0	0	0	255,426	255,426	221,761
Endowment funds	6,226,103	3,357,748	2,046,529	1,526,115	13,156,495	13,973,045
	6,226,103	3,357,748	2,046,529	6,321,443	17,951,823	17,729,484

All investments are carried at their fair value, which has been determined for each class of asset as set out next.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

Property

As a general rule the fair value of investment property has been calculated with reference to rental income generated on each property capitalised at an expected average rate of return for that type of property in continued existing use. The Feoffees consider the basis adopted to be reasonable, fair and realistic and to reflect the use of the asset.

Where this basis is used the resultant values are compared to market values or approximations, in so far available, and values reduced to the extent that they may be higher than market value.

A review of residential rental values was carried out in March 2025 by Mr J R Harris, of Ian Perks Estate Agents. The review also reported on estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Three properties (2024: three) have a calculated value in excess of its recommended market value and have accordingly been reduced to fall in line.

Where capitalising rental would give an unrealistic valuation or where there is no rental to base a valuation upon for example, the fair value of each property is separately assessed in the context of its use or intended use. This has been applied as follows:

- On small sites which return rental for telephone masts, the land is included at cost if known or a reasonably nominal value otherwise.
- The freehold underlying the Foundation's leasehold properties plus five owned by others and the surrounding amenity space, which was acquired in two parts over 2013-2015, stands at cost. The purchase of the freehold was advised by Mr A Herbert FRICS MARLA IRRV(Hons) of Pennycuik Collins, Chartered Surveyors. Ground rental is insignificant and an unsuitable valuation base for this holding. The owned leaseholds and their associated freehold remain separate and have been valued as such.
- Freehold land made available to the School for sports fields has been included at a valuation of £190,000 based on the site, undeveloped, but with the benefit of planning consent and vacant possession. Full development costs have not been capitalised. The Feoffees consider the valuation, prepared in February 2010 by Sellers, Chartered Surveyors, to be reasonable for valuation purposes and in its present use.
- Treherns Farmhouse has been made temporarily available to the School for use as a first aid post and changing room in connection with the sports fields adjacent to it. Until November 2015 the property was rented out as a residential property. Its value based on the principle of capitalised rental was £130,000. This compares to an estimated market value of £607,000. As the property is not currently available for sale or alternative use the Feoffees have elected to retain the value previously adopted until such time as the future use of the farmhouse is determined.
- Hanbury Hill House is made available for the School for teaching purposes and no rent is charged. It is included at cost less depreciation charged at 2% per annum on a straight-line basis.
- The more recently acquired Swinford Court and land at Union Street are included at cost.

Securities

The fair value of investment in COIF Charities Investment Fund units is established by reference to rates published by CCLA as is the value of investment in COIF Property Fund units.

The fair value of investment in Cazenove Charity Sustainable Multi-Asset Fund units is established by reference to rates published by Cazenove Capital.

The fair value of investment in M&G Charifund units is established by reference to rates published by M&G Investments.

The Feoffees consider that generally, individual holdings with a valuation in excess of 5% of the total portfolio value are material. They also consider the land comprising Treherns & Racecourse Farms and the Stourbridge Golf course to be significant although their valuation is less than 5% of the total portfolio.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

As at 31st March the following material investments were held:

	2025	2024
	£	£
Holdings valued above 5%:		
Swinford Court	3,522,500	3,522,500
COIF Charities Investment Fund	2,949,898	3,057,307
Cazenove Charity Sustainable Multi-Asset Fund	2,981,469	3,004,459
Other significant holdings:	9,453,867	9,584,266
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<u>10,610,703</u>	<u>10,741,102</u>

17. Debtors

	2025	2024
	£	£
Rental income and licence fees due	3,421	3,306
Provision for doubtful debts	(2,948)	(2,948)
Debtors, prepayments and accrued income	85,153	133,954
	<u>85,626</u>	<u>134,312</u>

18. Liabilities

	2025	2024
	£	£
Creditors: amounts falling due within one year:		
Rentals received in advance and deposits held	22,979	37,319
Bursaries, prizes and welfare	99,396	81,798
Taxation due	1,535	1,340
Creditors and accrued fees	21,250	16,742
Bank loan	0	132,238
	<u>145,160</u>	<u>269,437</u>
Creditors: amounts falling due more than one year:		
Bank loan	0	865,590
	<u>0</u>	<u>865,590</u>
Provisions for liabilities		
Provisions for bursary support brought forward	488,012	529,728
Allocated to bursary awards	(191,806)	(191,053)
Additional provision	145,698	149,337
Provision for bursary support carried forward	441,904	488,012
	<u>441,904</u>	<u>488,012</u>
Provisions for awards expected within one year	215,270	212,755
Provisions for awards expected in more than one year	226,634	275,257
	<u>441,904</u>	<u>488,012</u>

The movement in provisions for bursary support is the net increase/(decrease) in provision after a reassessment of expected future costs to maintain current bursary awards.

The term loan with National Westminster Bank Plc for the sum of £2,485,000 taken in March 2020 to facilitate the acquisition of the former Stourbridge College site (now known as Swinford Court) and on which the loan was secured, was repaid in full during the year.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

19. Endowment funds

	Balance 1st April	Income	Movement in funds		Balance 31st March
	£	£	Expenditure	Gains & losses	£
			£	£	
Permanent endowment fund					
Year to 31 st March 2025	14,710,656	0	(51,014)	188,941	14,848,583
Year to 31 st March 2024	13,988,290	0	(54,025)	776,391	14,710,656

Permanent endowment funds are those funds derived from the will of Thomas Foley, the income from which is used in furtherance of the objects of the Foundation.

20. Restricted funds

	Balance 1st April	Income	Movement in funds		Balance 31st March
	£	£	Expenditure	Gains & losses	£
			£	£	
D T Plant fund	29,703	1,842	(1,842)	1,266	30,969
Williams-Thomas bursary fund	15,946	906	(800)	623	16,675
Don Williams prize fund	16,637	826	(400)	568	17,631
Kieran Duffy memorial fund	36,702	2,056	(1,500)	1,383	38,641
Krukowski maths fund	11,263	621	0	411	12,295
William Cooper bursary fund	7,772	416	(250)	277	8,215
Parents' bursary fund	90,706	14,148	(2,500)	3,159	105,513
Owen Evans fund	9,885	562	(350)	386	10,483
Dyson fund	14,248	886	(886)	609	14,857
Sheila Tuft Fund	9,784	590	(400)	406	10,380
Brian Norgrove Fund	6,504	404	(404)	278	6,782
CFR Potter Fund	0	314	0	0	314
Year to 31 st March 2025	249,150	23,571	(9,332)	9,366	272,755
Prior Year balances					
D T Plant fund	30,269	1,751	(1,751)	(566)	29,703
Williams-Thomas bursary fund	16,106	861	(750)	(271)	15,946
Don Williams prize fund	16,099	785	0	(247)	16,637
Kieran Duffy memorial fund	36,864	1,954	(1,500)	(616)	36,702
Krukowski maths fund	11,109	590	(250)	(186)	11,263
William Cooper bursary fund	7,751	395	(250)	(124)	7,772
Parents' bursary fund	80,234	14,371	(2,500)	(1,399)	90,706
Owen Evans fund	9,869	534	(350)	(168)	9,885
Dyson fund	14,513	841	(841)	(265)	14,248
Sheila Tuft fund	9,800	561	(400)	(177)	9,784
Brian Norgrove Fund	6,625	384	(384)	(121)	6,504
Year to 31 st March 2024	239,239	23,027	(8,976)	(4,140)	249,150

The D T Plant fund, created by legacy, provides income payable to the Old Foleys Association.

The Williams-Thomas bursary fund, created by legacy, pays income to support pupils at the School.

The Don Williams prize fund, created by legacy, pays income towards providing prizes for academic achievement.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

The Kieran Duffy memorial fund, created by donations in memory of a former pupil killed in a flying accident during the Gulf War, provides income to support pupils at the School.

The Krukowski maths fund, created by donation, pays income for a grant to be given to a pupil going on to study mathematics at university and nominated by the Headmaster.

The William Cooper bursary fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees to support pupils at the School.

The Parents' bursary fund, created by donations from parents, allows for both income and capital to be used at the discretion of the Feoffees to assist any needy pupil at the School.

The Owen Evans fund, created by donation, pays income to support pupils at the School.

The Dyson fund, created by legacy, is for the benefit of the Old Foleyans Association.

The Sheila Tuft fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees for general charitable purposes in memory of Mrs Christine Forshaw (nee Edge).

The Brian Norgrove fund, created by legacy, is for the benefit of the Old Foleyans Association.

The CFR Potter Fund was established as a bursary fund following the retirement of the former Headmaster, Christopher Potter in 2001. The donations previously received were all applied for the purpose of the fund. A further donation was received this year in memory of Mr Potter.

21. Unrestricted funds

	Balance	Movement in funds			Balance
	1st April	Income	Expenditure	Transfers	31st March
	£	£	£	£	£
Income funds	2,473,243	1,646,229	(231,582)	(506,233)	3,381,657
Designated funds:					
Bursary & Welfare fund	417,949	0	(241,269)	350,000	526,680
School property maintenance fund	76,757	0	(2,500)	250,000	324,257
Investment property maintenance fund	897,986	0	(113,542)	(170,000)	614,444
Land development fund	211,572	0	(4,800)	0	206,772
Excellence in Education	125,768	0	(125,768)	76,233	76,233
Year to 31 st March 2025	<u>4,203,275</u>	<u>1,646,229</u>	<u>(719,461)</u>	<u>0</u>	<u>5,130,043</u>
Prior Year balances					
Income funds	1,847,464	1,606,157	(389,610)	(590,768)	2,473,243
Designated funds:					
Bursary & Welfare fund	275,461	0	(207,512)	350,000	417,949
School property maintenance fund	76,717	0	(14,960)	15,000	76,757
Investment property maintenance fund	851,026	0	(53,040)	100,000	897,986
Land development fund	219,837	0	(8,265)	0	211,572
Excellence in Education	66,191	0	(66,191)	125,768	125,768
Year to 31 st March 2024	<u>3,336,696</u>	<u>1,606,157</u>	<u>(739,578)</u>	<u>0</u>	<u>4,203,275</u>

Unrestricted funds include funds set aside by the Feoffees out of unrestricted income funds for the purpose of:

Providing for bursary and welfare support

The Feoffees consider that a strong working capital base should be provided to support applications for bursary and welfare grants, which are made on an 'as needs' basis.

Providing for contributions to capital expenditure and repair of school property

A working capital base is maintained so that the Foundation can assist the Governing Body by providing grants from time to time to assist with capital projects and repairs.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

Attending to maintenance on estate and housing properties held as investments

The Feoffees consider that at all times sufficient funds should be set aside for property repairs consistent with a portfolio that includes a substantial property holding. Funds are set aside for specific properties and in general, the general element not to be less than £100,000.

Future land development

Funds have been set aside so that the Foundation can call upon resources to protect or develop its estate.

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fund balances are represented by:				
Tangible fixed assets	0	0	1,693,945	1,693,945
Investments	4,539,902	255,426	13,156,495	17,951,823
Net current assets/ (liabilities)	1,032,045	17,329	(1,857)	1,047,517
Provisions for liabilities	(441,904)	0	0	(441,904)
Net assets at 31 st March 2025	<u>5,130,043</u>	<u>272,755</u>	<u>14,848,583</u>	<u>20,251,381</u>

Unrealised gains/(losses) included above, and all in respect of investments:

	0	25,457	5,155,979	5,181,436
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Cash balances included in current assets above:

	<u>1,086,346</u>	<u>17,329</u>	<u>0</u>	<u>1,103,675</u>
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	1,737,230	1,737,230
Investments	3,534,678	221,761	13,973,045	17,729,484
Net current assets/ (liabilities)	1,156,609	27,389	(134,029)	1,049,969
Liabilities more than one year	0	0	(865,590)	(865,590)
Provisions for liabilities	(488,012)	0	0	(488,012)
Net assets at 31 st March 2025	<u>4,203,275</u>	<u>249,150</u>	<u>14,710,656</u>	<u>19,163,081</u>

Unrealised gains/(losses) included above, and all in respect of investments:

	0	16,091	4,964,079	4,980,170
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Cash balances included in current assets above:

	<u>1,154,263</u>	<u>27,389</u>	<u>0</u>	<u>1,181,652</u>
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		2025	2024
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	113,842	113,526
	Deposit accounts	346,979	626,678
National Westminster Bank Plc	Current account	5,139	30,139
	Deposit accounts	0	18
Evelyn Partners	Deposit accounts	0	18
Cazenove Capital	Liquidity account	637,676	411,251
	Income account	10	11
Cash		29	29
		<u>1,103,675</u>	<u>1,181,652</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2025 continued

23. Reconciliation of net movement in funds to net cash flow from operating activities and analysis of change in net debt

	2025	2024
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	1,088,300	1,598,856
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	(198,307)	(772,251)
Dividends, interest and rents from investments	(1,502,746)	(1,414,461)
(Increase)/decrease in stocks	66	(2,434)
(Increase)/decrease in debtors	48,686	(7,943)
Decrease in creditors	(38,147)	(94,001)
<i>Net cash provided by (used in) operating activities</i>	<u>558,595</u>	<u>(648,681)</u>

Analysis of changes in net debt in the year to 31st March 2025

	1st April	Cash flows	Other non-	31st March
	£	£	cash changes	£
			£	
Cash	1,181,652	(77,977)	0	1,103,675
Loans:				
Falling due within one year	(132,238)	165,566	(33,328)	0
Falling due after more than one year	(865,590)	865,590	0	0
Year to 31 st March 2025	<u>183,824</u>	<u>953,179</u>	<u>(33,328)</u>	<u>1,103,675</u>

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £nil (2024: £nil) and capital expenditure contracted for but not provided amounted to £nil (2024: £nil). Major expenditure contracted for, but not yet provided amounted to £nil (2024: £nil).

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Accounts

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS

for the year ended 31st March 2024

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024

The Feoffees present their report along with the audited financial statements for Old Swinford Hospital, of Hagley Road, Stourbridge, West Midlands, Registered Charity Number 527116, otherwise called Thomas Foley's Charity, for the year ended 31st March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Structure, governance and management

Scheme and constitution

Old Swinford Hospital is governed by the terms of a Charity Commissioners Scheme dated 16th June 1954 ('the Scheme') as amended by:

- Schemes of 2nd July 1986, 26th October 1987, 10th January 1989, 17th December 1997, 25th November 2004, and 15th July 2021;
- Modification Order of 5th January 2004, and
- Resolutions of 30th September 1999, 13th June 2000, 1st December 2005, 24th September 2009, and 23rd October 2015.

In accordance with the Scheme, 'the Foundation' means Old Swinford Hospital, at Stourbridge, founded by the will of Thomas Foley, made and published in or about the month of January 1671. Neither the Foundation nor the Trustees ('Feoffees') of the Foundation are incorporated.

Feoffees

The trustee body is a clearly identifiable 'simple' structure set up in accordance with the governing document and known as the Feoffees. The governing document provides for three Hereditary Feoffees, being or representing the respective male heirs of the three sons of the Founder, and up to twelve Co-optative Feoffees to be appointed by resolution of the Feoffees subject to there always being sufficient in number to provide the required number of Feoffees to sit on the Governing Body of the School of the Foundation. Co-optative Feoffees, a majority of whom shall be members of the Church of England, are elected for a five-year term, unless they held office at the inception of the Scheme, when they are elected for life. Retiring Feoffees, if eligible, may be re-elected. There are no longer any Feoffees eligible to be elected for life.

Within this remit the strategy for appointment looks to the profile of the body so that it can function to best advantage, due regard being had to skills, time and general ability to attend meetings and events, whether a potential Feoffee is willing, and able, also to be appointed to the Governing Body, the skills requirement of the Governing Body and any other interests which may be either conducive to, or conflict with, the workings of the Foundation.

Induction and training is provided so that:

- Prior to any appointment a potential Feoffee is made aware of the Foundation's purpose and aims, the scope of its remit, its financial position, current issues and the level of personal commitment required;
- Following appointment new Feoffees will be guided by the existing members, and
- Continued training and updates are given through the circulation of papers on relevant current issues, recommendations for webinar briefings or online training and the opportunity to attend Governor and Feoffee training from time to time.

At 31st March 2024 nine Feoffees were in office, two being Hereditary Feoffees and seven Co-optative. Their names are listed in the Reference & Administration section of this report.

During the year:

- At their meeting on 30th June 2023 the Feoffees:
Elected Mr Wilcox as Chairman of the Feoffees' meetings for the year and Mr R T Foley as Vice Chairman.
Re-elected Mr Yeates as a co-optative Feoffee for a further five- year term.

On 18th January 2024 Mr A J Yeates tendered his resignation as a Feoffee. His long service and dedication were undoubted, his contributions to both the Foundation and the School steadfast and significant and many had benefitted from the work he had done to open up educational opportunities to students through the bursary system. Feoffees wished Mr Yeates well in his retirement.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

The School of the Foundation and its Governing Body

The School of the Foundation, also known as Old Swinford Hospital, is a voluntary aided boarding and day school for both boys and girls.

The Foundation is not responsible for the running of the School but provides or nominates seven persons to sit as Foundation Governors on the Governing Body. Feoffees sitting as Foundation Governors on the Governing Body during the year were:

P T Foley FCII, MCI Arb, MEWI
R T Foley
R B Guthrie
P W Mason FCA
M Wilcox FRICS

Mr I W King sits on the Governing Body as a Foundation Nominated Governor.

At the year-end there remains one vacancy for a Foundation Governor. This will be filled by Mr R J Walker when his term of office as Local Authority Nominated Governor comes to an end on 25th June 2024.

In addition, and separately from voluntary aided regulations, Feoffees may be appointed by the Governing Body to sit as Associate Members. None sat as Associate Members at any time during the year.

Organisation

The Foundation is administered by the Feoffees who meet termly or more often if they find they need to do so however:

- Messrs Hornby, Taylor and Yeates (prior to his retirement in January 2024) have delegated authority in respect of bursary awards and other grants to individuals within the annual awards budget agreed by the Feoffees, and
- A Steward is employed to manage the day-to-day business of the trust.

Key management personnel remuneration

All of the Feoffees have an equal part to play in the business of the Foundation. Some tasks however are delegated to one or more of their number and in this respect they consider the Chairman of the Feoffees and the Steward as key management personnel of the Foundation, in charge of directing and running the day-to-day operations of the charity. They also consider those Feoffees sitting as Foundation Governors, along with the Steward who acts as Clerk to the Governing Body, to be key management personnel in providing substantial practical benefit to the School of the Foundation.

All Feoffees give of their time freely to both the Foundation and the School and none receive any remuneration, expenses or benefit.

The pay of the Steward is reviewed annually and normally increases in line with inflation. In assessing the appropriate salary for this role the Feoffees have regard to the diverse nature of the role and the need for a wide range of both skills and knowledge. They take into account the qualifications, skills and experience of the Steward and what she might get paid in other organisations and in particular the pay scales for senior management in the School of the Foundation.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Risk management

The Feoffees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage those risks and mitigate exposure as far as possible. Their response to the pandemic, what we have learned from this time and moving forwards as we emerged from it, is included throughout this report however related to this, and to the assessment of overall risk, special consideration has been given to:

- Reviewing and monitoring income streams to identify sensitivities and likely concerns;
- Diversity and spread in investment portfolios to lessen overall volatility;
- Active asset management to maintain the quality of rental properties and to keep voids to a minimum;
- Keeping abreast of best practices, market overviews and sector developments allowing us to continually reassess our place in all of this;
- Building resilience by maintaining reserves levels and designating funds for specific purposes;
- Building flexed budgets based on robust assumptions and focussed on planned charitable activity but with the capacity to take on further charitable projects;
- Forecasting and liquidity to ensure income streams can service any debt, and
- Adopting safe, efficient and effective working practices to enable us to sustainably deliver charitable benefit.

The Feoffees are satisfied that they continue to manage these risks appropriately.

Governance Code

The Foundation's position in relation to this non-statutory Code has been monitored since the first edition and, in the context of the charity's simple structure and remit, the 2020 update was formally adopted in March 2021. The Feoffees continue to look to work within it as far as it is appropriate, reasonable and practicable to do so.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Reference & Administrative Details

Feoffees:

Hereditary Feoffees:

P T Foley FCII, MCI Arb, MEWI, 1989

R T Foley, 1991

Co-optative Feoffees:

M Wilcox FRICS, 1997 (Chairman)

A J Yeates B Pharm, 1998 (resigned 18th January 2024)

P W Mason FCA, 2007

J M Hornby MA, FCA, 2020

D J Taylor MI, FIH, 2021

Dr R B Guthrie

R J Walker

J R Edwards, ACII

Steward:

Mrs B Hirons BA(Hons), BFP, FCA

Headmaster:

P T Kilbride MA (Oxon), NPQH, FRSA

Advisors:

Auditors

Crowe U.K. LLP

Black Country House, Rounds Green Road, Oldbury, B69 2DG

Bankers

HSBC Bank plc

114 High Street, Stourbridge, DY8 1DZ

Solicitor

Burges Salmon LLP

One Glass Wharf, Bristol, BS2 0ZX

Investment Managers

Cazenove Capital

1 London Wall Place, London, EC2Y 5AU

CCLA

One Angel Lane London EC4R 3AB

M&G Securities Ltd

10 Fenchurch Avenue London EC3M 5AG

Residential Letting Agent

Ian Perks Letting Agent

20-22 Hagley Road, Stourbridge, DY8 1QQ

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Objectives and activities for the public benefit

Charitable objects

The Foundation and its endowments are administered in accordance with the provisions of the Scheme to the benefit of the School of the Foundation. Over 350 years ago when Thomas Foley set up and endowed the School of the Foundation his aim was to provide education and entry into a trade for poor but deserving local boys. He was forward thinking enough to see that these philanthropic ideals could benefit the lives of those individuals who came to his school and his principles are as current and relevant today as they were then. The Feoffees uphold the Founder's values but like Thomas Foley each generation of Feoffees, whilst maintaining a wealth of traditional values, has been forward thinking enough not to be afraid to move with the times. Today the School operates in a modern context as a voluntary aided boarding and day school within the State education system managed by a Governing Body under the Local Authority, Dudley Metropolitan Borough Council. The Foundation manages the endowment to the benefit of the School.

In setting objectives and planning activities, the Feoffees have given careful consideration to the Charity Commission's guidance on public benefit and are confident that their aims, their activities and their future plans continue to be wholly consistent with the guidance given. They further consider that the admission of girls to boarding and to the lower school from September 2021 gave them the opportunity to broaden the sections of the public who have access to the benefits of the charity and were pleased when the Charity Commission issued a scheme to enable this.

As a Foundation the Feoffees look to support the School's Governors in meeting the aims they have set for the School and which overridingly look 'to provide an outstanding education, both within and beyond the classroom, which enables pupils to realise and exceed their potential' and, above all, 'to provide a uniquely stimulating and supportive environment in which all individuals flourish, grow in understanding, self-confidence and self-esteem and are fully equipped to meet the challenges and demands of life beyond school.' To that end the Feoffees look specifically to promote:

- Educational standards and excellence;
- The benefits that can come from a boarding education;
- Rewarding success in all fields, and
- A wide and far reaching programme of extra-curricular activities that add to the overall educational experience.

The Feoffees have put together a package of support measures that aim to ensure their objectives can be met with successful outcomes resulting in all pupils having the opportunity to benefit from their time at the School. These programmes of support are wide ranging, focussing upon individuals, groups and the whole school community. The provision of bursaries, grants to promote excellence in standards of education and welfare awards to enhance the development of the School and its environment are fundamental objects of the trust that seeks to:

- Provide boarding awards for pupils where there is a financial need;
- Encourage excellence;
- Provide some small assistance to those pupils and former pupils of the School who seek to achieve excellence in a goal beyond school and basic further education and who are, in the view of the nominated Feoffees, regarded as exceptional, and
- Work with the Headmaster and the Governing Body to provide such benefits as may be considered desirable for the School and which otherwise would not normally be provided from annual maintenance grants paid under the Education Acts.

The Foundation provides a direct public benefit by making available to the Governing Body the site and buildings comprising Old Swinford Hospital for educational use.

The Feoffees devote a great deal of their time to the School and by acting as school governors. By sitting on working parties and by advising when asked, they further enhance their charitable support. In addition, they make available the time of their Steward to provide clerking and other advice and assistance to the School and the Governing Body.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Grant making policy

As a school within the State sector, entry is open to children of secondary school age who are eligible for a state funded education. Whilst this is a very wide sector of the public the Feoffees are aware that although education is state funded, for those who board, boarding facilities attract a fee. Boarding fees are the remit of the Governing Body not the Foundation and, whilst the fee is extremely good value and very competitive, there is nevertheless a fee to pay. A package has therefore been developed which looks to support both new and existing pupils in paying boarding fees.

The provision of bursaries is fundamental to the trust. However, to be realistic and to ensure the long-term future of the support scheme, a number of principles are applied to award applicants including amongst others means testing and boarding need. Bursaries may be granted for existing boarding pupils, existing pupils seeking to come into boarding (and who have been deemed, by the School, to be suitable to board) and children seeking to enter the School (and who have been offered a place at the School and have been deemed, by the School, to be suitable to board). The principal criteria for awarding bursaries to the parents of an existing boarding pupil is that there must have been a clearly identifiable, significant and unforeseen worsening in the financial circumstances of the parents such that they cannot now practicably afford the whole of the boarding fee and that there would be a clear and significant detrimental effect on the pupil's education or development were they no longer to board at the School. For those seeking to come into boarding the pupils' parents must be able to demonstrate that they cannot practicably afford the whole of the boarding fee and that there would be a clear and significant advantage to the pupil's education or development were they to board at the School. Bursaries are a contribution towards boarding fees; except in very exceptional circumstances they do not cover fees in full and in all cases parents will be expected to make every effort to obtain support from other sources, as there must be a realistic chance that the remainder of the boarding fee can be met by the parents or by others.

The Feoffees have been aware of general financial pressures upon families because of economic difficulties in recent years and recognise that the scale of their support to individuals needs to be of meaningful value to make a difference. The pandemic added to this pressure, compounded then by exceptional increases in energy costs, general inflation and rapidly increasing interest rates as a measure to contain this. Whilst inflation has more recently started to fall, it is still more than it had been. Markets remain sensitive and interest rates high. The practice of providing funds for future support gives us the assurance that programme funding can be met for all existing bursary pupils until they have completed their GCSE's or, if they are already in the 6th Form, until they have completed their A level or vocational qualifications. The practice of designating funds for bursary support provides us with comfort that there are also funds available to assist additional pupils, who may or may not already attend the school, and it is through these funds that the Foundation is able to assist with grants towards fees for those boarding families who have a need arising. If there are more applications than available funding priority will be given to supporting pupils already in the school.

Over the years the Feoffees have worked with the Headmaster and with other like-minded support charities to achieve the best outcome for those who found themselves in need of assistance and they continually review how best to widen their support to enable more pupils, who have a need and whose families have limited means, to come into the School.

The Foundation accepts the nominations of the Headmaster for awards made from smaller specific funds and consults with him on applications for other grants to individuals including financial assistance to ensure that all pupils are able to participate in academic trips and extracurricular activities and to receive music tuition.

Donations are also made to provide a range of benefits as agreed from time to time between the School and the Feoffees and that would not normally be provided from maintenance grants paid under the Education Acts.

All grants are discretionary but the schemes have been developed so that advantage can be taken of additional funding streams that may be available from other trusts, from the School's Old Boys (the Old Foleyans Association) and from the School itself and which, when combined, can provide a workable support package.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Achievements and performance

With expectations of yet another challenging year for everyone, it was with some confidence the Feoffees remained able to go into it from a position of strength. Their prudent management of funds in the past, sound reserves policies, strong levels of liquidity and a balanced investment model had served them well through recent turbulent times so that the Foundation was in a good position to continue to meet its charitable purpose in a sustainable and meaningful way. The financial outcomes for the year demonstrate sufficiency of funding and funding streams to meet the full delivery of bursary and support programmes whilst encouraging excellence in education and contributing to wider projects, providing effective help to its beneficiaries as they too continued to face their own constraints and challenges.

The School of the Foundation

As the academic year came to an end in June, there was time for reflection on the integration of girls into the lower school before getting ready for the new school year and welcoming a third intake of girls as part of the School's expansion programme. This was always going to be a challenge for staffing and resources but it had been planned for, yet the expectation that health, absence and mental health concerns would be less predominant was not as evident which stretched resources and staffing significantly.

The value of the governance role in developing strategy and supporting and assisting the School's leadership team remains a key element in ensuring the success of the expansion programme and in creating the infrastructure in which the School could grow and it was in both of these key roles the Foundation could provide practical and substantial assistance. In continuing to promote learning, through the support for excellence in education programme, £2,075 was granted towards the provision of more interactive screens for classrooms, £72,000 towards the creation of a new and additional Science lab, £10,000 towards website development, £750 to develop excellence in the teaching of Mandarin and £66,161 used to develop existing teaching accommodation and learning resources. We also made a grant of £14,960 towards school maintenance and improvement.

Bursaries, prizes and welfare

As planned in our forecasting model, bursary spending continues to support school admissions and promote boarding so that during the year £219,012 was awarded in, or provided for, bursaries. Sustaining support in this way is one of our principal aims and part of our strategy to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees.

The practice of providing support packages in conjunction with other funding sources continues to be successful. Assistance remains focussed where it is most needed and where it was best placed to support pupils and to add value to their time at the School so key examination years and 6th form study continue to be primary criteria in assessing applications as do those pupils who would benefit from boarding. The latter still show a need for longer-term support but with the use of funds designated for bursaries the Feoffees are able to offer this support which is much in keeping with the Founder's original intent.

In making our bursary grants we were able to draw on the support of income provided by the Williams Thomas Bursary Fund, Kieran Duffy Memorial Fund, Owen Evans' Fund, Parents' Bursary Fund, Sheila Tuft Fund and William Cooper Bursary Fund which, together, contributed £5,750 towards supporting children in boarding.

In addition, we made grants totalling £2,500 towards individual music tuition, whilst the Krukowski Maths Fund gave a prize of £250.

Other welfare grants included £275 for training in SEN funding regulations and £279 for subscriptions to the National Governors Association to support good governance and governor training.

Feoffees were delighted to receive donations to help with their charitable objectives of £9,930, coming from parents of pupils leaving the School, £115,245 from Old Swinford Enterprises Ltd and £10,523 from Old Swinford Services Ltd.

The Feoffees continue to make available to the School one of the Foundation's residential investment properties for use as a temporary first aid post and changing facility in connection with the adjacent sports fields; an arrangement that is expected to continue for further playing seasons.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Portfolio development

The Feoffees continue to manage the Foundation's portfolio in a manner that maximises overall return from each element within it and in particular be vigilant for opportunities to enhance potential wherever possible.

Having previously taken professional planning advice and set aside designated funds to assist in developing parcels of land over the next strategic land review in the borough and other authorities, the Feoffees continue to follow developments in the review process. This is a long-term project; the review is ongoing and we continue to engage with the process. Over the course of the year fees of £8,265 have been met from designated funds, all in relation to potential development. The Feoffees consider it is important to be properly advised and appraised of the progress and outcomes of the review and of the likely impact it may have upon the Foundation's assets and so choose to retain the designated fund balance for the time being.

Financial review

The Statement of Financial Activity on page 18, together with the notes thereon, show the income of the Foundation for the year to 31st March 2024, and how this income has been applied in furtherance of the objects of the Foundation.

The Foundation seeks to continue its work through the careful stewardship of its resources. Some donations are received and for this the Feoffees are most grateful but the Foundation is largely reliant on the income from its investments and property. Income from securities has shown some improvement and we have benefitted from increasing interest rates on our cash deposits, whilst both the ongoing rent review programme and licenses for short-term use of Foundation land have added to rental income. The need to maintain the quality of the Foundation's housing stock held as investment assets to protect both the capital value and the rental stream is ever present and funds have been set aside for this purpose.

Increasing interest rates also impacted on the cost of debt and following review it was considered expedient to use cash resources and liquidate a portion of invested funds to reduce loan funding. This has reduced the cost of borrowing going forward but not to the detriment of investment income.

Gains on investment assets reflect net valuation gains as at 31st March 2024, on properties and securities.

The Foundation does not raise funds from the public but it is happy to work with and assist the School to do so if they choose. However, no fundraising activity has taken place and no related expenditure was incurred.

The Balance Sheet as shown on page 19, and notes thereon, shows the financial position of each of the Foundation's funds as at 31st March 2024. The Feoffees are satisfied that each of the funds is adequately resourced and no fund is in deficit.

Investment policy and performance

Investment Policy

The aim of our investment portfolio is to meet the needs of present beneficiaries whilst maintaining the Foundation's purchasing power for the overall benefit of the charity in the longer term and we seek to do this by holding a mix of investments in financial securities and in property for the twin purpose of capital appreciation and an annual income. Together each sector should contribute to meet the overall aim.

After consideration of their charitable aims and the makeup of funds available for investment, which is substantially permanent endowment, the Feoffees have determined that Financial Investment is principally more suited to the Foundation.

The core objectives of the investment portfolio are therefore to:

- Invest to produce the best financial return, balancing capital and income returns, within an acceptable level of risk.
- Ensure that the funds are properly protected so that capital is not put at undue risk and will be protected against inflation;
- Maintain the value of the Foundation's capital in real terms over the long-term; and
- Produce a consistent and sustainable return to meet expenditure on charitable objects and the governance and management of the Foundation.

In addition, the Feoffees will invest money not needed for immediate expenditure, or deposit it to earn interest if expenditure is expected soon.

To achieve the core objectives, the Feoffees have set, as a target, a real return of approximately 3.5% p.a. (against CPI) over the investment cycle after costs.

The Foundation's requirement for income is supported by their property investments and because these deliver a strong and steady income stream, there is a degree of flexibility with regards to securities income. The investment strategy for the Foundation's securities portfolio therefore includes a mix of both income units and accumulation units. The current expectation is that the proportion invested in income units should generate an income of approximately £100,000 per annum.

The Foundation is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability. Accordingly, the Foundation has a long-term time horizon and is able to tolerate short-term capital volatility in pursuit of the long-term investment objective, the preservation of the real capital value.

To secure the widest coverage, yet limit exposure to any significant investment or sector, the Foundation's investment is placed in multi-asset common investment funds that are charity authorised investment funds. Although independently holding investment properties, the Feoffees do not cause this to be a restriction to exposure to the wider property market through investment in these funds.

Material liquidations are not envisaged, however, at least 75% of funds invested must be capable of being liquidated to cash within four weeks. Short-term cash requirements are covered by cash held in reserves and by regular distributions.

The Feoffees' investment powers are governed by the Trustee Act 2000 which sets out the general power of investment. The Foundation has no direct purposes that require an ethical approach to investment and after due consideration the Feoffees conclude that charitable purpose can be met without the need to exclude any particular product sector or taking a particular moral stance. However, they believe that responsible investment aligns with the key values and goals of the Foundation whilst also believing it drives long-term portfolio performance. In adopting this approach, the Feoffees considered several points but principally:

- The community they serve is a made up of young people and young people in general care about the environment and their world and actively demonstrate this. The School of the Foundation teaches and encourages its students to have the skills, knowledge and moral guidance they will need throughout life and, with confidence as well as humility, the ability to express and defend their own values and to take pride in their achievements, knowing that they can make a difference in the world. The Feoffees want to be able to support them and demonstrate their support through their own actions in investing responsibly.
- Investing financially in a sustainable portfolio that helps drive change is the Foundation's commitment to helping its beneficiaries build and shape their lives going forward as well as creating a world where children who have yet to be born and who may come to this school can equally grow up with these values because of decisions and actions they have taken.
- The Foundation will be here in the long-term so invests sustainably in a world for the charity and its beneficiaries now and of the future. There is evidence that avoiding or making investments in companies because of their practice on environmental, social and governance factors such as climate, human rights, sustainability, community impact and board accountability is in the Foundation's best interests if it can protect or enhance the financial value of investments or returns over time.

The Feoffees are satisfied that they can invest sustainably and their choice of fund/funds will incorporate a responsible investment policy.

Fund managers will be appointed for any collective fund scheme. The Foundation has appointed two investment management firms to manage the financial investments in the endowment (excluding the direct property) on a discretionary basis in line with this policy. Investment managers provide custody of assets. For smaller restricted funds individual investments will be made in Charifund.

Fund Managers

Following the decision in March 2023 to invest in collective fund schemes, investments were moved from a bespoke portfolio and placed approximately equally between Cazenove Capital and CCLA. This happened over the period April to June 2023.

Marketable securities – Cazenove Capital, Multi-Asset Sustainable Fund

Unit prices for accumulation holdings grew by 9.9% over the year to 31st March 2024. In the period since acquiring units in this fund (July 2023 to March 2024) holdings in accumulation units grew by 8.9% compared to their benchmark of 3.7%. Income units paid a dividend of 4.12%.

Marketable securities – COIF Charities Investment Fund

Unit prices of accumulation units grew by 12.16% over the year which meets the Foundation's objective of CPI + 3.5% (CPI:12 months to March 2024, 3.2%). Income units paid a dividend of 2.68%.

Marketable securities – COIF Charities Property Fund

COIF Charities Property Fund units have fallen a further 5.16% but income remained steady at 5.41%. This was a better outcome than comparator benchmarks. The holding is viewed as a long-term interest with a good income return.

Marketable securities – M&G Charifund

Restricted Fund investments are all held in Charifund income units. The individual holdings are small and managed so as to produce a good income (5.89%). Unit value fell by 1.83%.

Property

The Foundation has a number of investment properties, which generate rental income.

The Foundation's residential letting agent assists with the management of housing stock, which is principally let by way of assured shorthold tenancies. The Steward manages the maintenance and repair of all property. A review of these properties was carried out in March 2023 by the residential letting agent looking at rental rates and estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Recommendations for rental uplifts are implemented as tenancies change or at an appropriate review point as is the usual practice.

Pleasingly, rental markets in the residential sector have remained buoyant. The Foundation has benefited from increasing rental rates and few void periods which is, in part, also due to keeping properties in good repair. There were only two tenancy changes, each giving the opportunity for a further rent review. There were a further 24 routine residential rent reviews.

The Foundation has two larger commercial elements to the estate, being farmland at Treherns & Racecourse Farms, which are combined into one holding, and the land let to Stourbridge Golf Club Limited. Both of these tenancies have longer-term agreements and are managed by the Steward with advice taken from appropriate agents when required. A third property, now known as Swinford Court, was added in 2020. The School of the Foundation has requested a lease on Swinford Court to accommodate its planned growth and negotiations are progressing for this to happen. During the year a piece of land adjacent to the School site and other properties owned by the Foundation was acquired at a cost of £395,000.

Loan finance amounting to £2,485,000 from National Westminster Bank Plc, secured on Swinford Court, is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at £3,522,500 being its cost after the settlement of retentions. All loan repayments were met during the year together with a lump sum repayment of £980,000. The balance outstanding at 31st March 2024 was £997,828.

Reserves policy

Unrestricted funds amount to £4,203,275 of which £2,473,243 is freely available.

The Feoffees have determined that the appropriate level of free reserves should be at least equivalent to approximately 50% of one year's forecast expenditure from income and any amounts forecast to be transferred from free reserves to designated funds in the following year.

The level takes into account the various sources of the Foundation's income and its ongoing commitments and specifically:

- The level of reserves has due regard to expenditure related to an entity which holds property as part of its portfolio and at no time should the reserves designated for buildings repair and maintenance be reduced to an unrealistic level;
- In reviewing the reserves base due regard must be had to the expected needs and projects forecast in the School of the Foundation, the assistance which the Foundation might be able to provide to promote the future of the School and in particular the fact that Feoffees would not willingly withdraw bursary support, and
- There should be sufficient flexibility for projects as yet unplanned to be reasonably accommodated.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

The Feoffees have designated reserves to ensure that their objectives can be routinely met, that they can be sustained, and that support can remain resilient where there might be short-term fluctuations. The level of designated funds is reviewed and assessed at least annually at the time of reviewing future forecasts. The Feoffees are satisfied that the designated funds are sufficient for their purpose and not excessive when compared to their future expenditure forecasts, and in particular:

- The bursary programme continues to expand as planned and the level of support per pupil has grown as projected;
- The remit of the designated reserve for supporting capital maintenance projects in the School has widened and over time this will increase the rate of uptake of funds, and
- Funds set aside for supporting excellence in education will be spent in the coming year.

On this basis the level of free resources at 31st March 2024 should be at least £614,267. The Feoffees consider the current level of free resources comfortable and affords them the opportunity to explore and support future projects in line with their expectations set out below in their plans for the future.

The Feoffees have considered their reserve policy and level of reserves in the light of current financial markets and ongoing inflationary pressures and expectations and forecasts for the year ahead concluding that it continues to be a prudent approach, that there is sufficient in reserve to support their planned activity and sufficient in reserve to consider further applications for support.

Plans for the future

The School and its community have faced challenges and financial constraints over recent years from funding cuts and increased expectations of what is to be delivered and more recently from the effects of the pandemic, geopolitical unrest and price inflation but it remains a strong community and has the self-belief that it has the strength to regrow and restore itself and grow yet further. It has done this and will continue to do so, in the knowledge that the Foundation is steadfast and resolute in its supporting role. It is this underlying principle that drives the Foundation's programmes to be sustainable yet adaptable and flexible. Their forecasts are built to show how the Foundation can achieve what it plans to do in the short to medium timeframe, driven by the School's direction of travel and shaped by reflections on what has happened in recent times. These plans aim to:

- Ensure the on-going sustainability of programmes of support for bursaries and welfare and continue the initiative of awarding grants for new pupil admissions in conjunction with the School's admissions process;
- Promote supported boarding places for boys and girls;
- Promote excellence in education;
- Support the development of facilities and resources to meet the needs of the growing school numbers;
- Promote equality of opportunity for both boys and girls in the school;
- Continue to provide support for the entry of girls and day pupils to the lower school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them;
- Continue support for the review of the efficiency and effectiveness of timetabled delivery of the curriculum so as to improve educational outcomes for all pupils;
- Support school governance programmes and assist in the provision of training;
- Continue to make available the time of Feoffees' Steward beyond that included in the service level agreement, and
- Offer guidance, through the governance role and wider, in meeting challenges as the School moves forward and continues on its growth path.

Bursary support remains a priority and requests for support continue. The Feoffees consider they still have sufficient designated funds to enable them to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees and that awards considered in conjunction with, but independent of, the School's admissions process is still proving to be a good way of working and is opening the boarding option to more children.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2024 continued

Through their governance role in particular, Feoffees have learned a lot about the provision of education and the challenges of school leadership, finding that now the impact of post pandemic issues, which include absence and mental health concerns, continues to have significant impact on both the delivery and take up of education and that this is disruptive to effective learning. They can also impact on school safeguarding, where the challenges for the safeguarding team are becoming more complex and time consuming. Welfare support has been offered to the School should they find the Foundation are able to assist them in tackling these issues in whatever way the School considers appropriate and opportunities to do this are being looked at.

It is also crucial to continue supporting the School during its growth phase and the impact of project support is easy to see. Last financial year grants were made towards repurposing a space in Swinford Court to create larger and better resourced teaching spaces for Art and by doing this the old art space could be repurposed for the teaching of drama. This year we made a grant for an additional Science lab which was ready for teaching in the new academic year. There is still more to do and projects are evolving. Our forecasts are built to show what scope there is for doing more and what resources we can deploy to do this.

Feoffees' responsibilities in relation to the financial statements

The Feoffees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Feoffees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, of the Foundation for that period.

In preparing the financial statements the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Feoffees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme. They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 28th June 2024 and signed on their behalf by

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital

Opinion

We have audited the financial statements of Old Swinford Hospital for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2024 and of 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 13, the Feoffees 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 Feoffees 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 Feoffees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Feoffees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Foundation operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Foundation for fraud. The laws and regulations we considered in this context were Health and Safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Feoffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees 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 Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House,
Rounds Green Road,
Oldbury,
B69 2DG

Dated:

OLD SWINFORD HOSPITAL**Statement of Financial Activity for the year ended 31st March 2024**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
Income & endowments						
Donations & legacies	3	126,793	9,930	0	136,723	91,393
Charitable activities	4	27,500	0	0	27,500	27,500
Investments & property	5	1,401,364	13,097	0	1,414,461	1,245,992
Other	6	50,500	0	0	50,500	50,500
Total income & endowments		1,606,157	23,027	0	1,629,184	1,415,385
Expenditure						
<i>Raising funds</i>						
Investment management fees	9	535	0	10,472	11,007	18,756
Property costs	10	268,341	0	0	268,341	238,434
<i>Cost of raising funds</i>		268,876	0	10,472	279,348	257,190
<i>Charitable activities</i>						
Bursaries, prizes & welfare	11	376,266	8,976	0	385,242	417,120
Property costs		16,347	0	43,553	59,900	63,553
School development & support		57,608	0	0	57,608	55,675
<i>Cost of charitable activities</i>		450,221	8,976	43,553	502,750	536,348
<i>Other expenditure</i>	12	20,481	0	0	20,481	17,547
Total expenditure		739,578	8,976	54,025	802,579	811,085
<i>Net income/(expenditure) before gains/(losses) on investments</i>						
		866,579	14,051	(54,025)	826,605	604,300
Net gains/(losses) on investments	13	0	(4,140)	776,391	772,251	(103,344)
Net income/(expenditure)		866,579	9,911	722,366	1,598,856	500,956
Transfers between funds	14	0	0	0	0	0
Net movement in funds		866,579	9,911	722,366	1,598,856	500,956
Reconciliation of funds						
Net movement of funds		866,579	9,911	722,366	1,598,856	500,956
Total funds brought forward		3,336,696	239,239	13,988,290	17,564,225	17,063,269
Total funds carried forward		4,203,275	249,150	14,710,656	19,163,081	17,564,225

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Balance Sheet as at 31st March 2024**

		Total funds		Total funds	
		2024		2023	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	15	1,737,230		1,780,515	
Investments	16	<u>17,729,484</u>		<u>16,990,336</u>	
Total fixed assets		19,466,714		18,770,851	
Current assets					
Stock		3,442		1,008	
Debtors	17	134,312		126,369	
Cash at bank and in hand	22	<u>1,181,652</u>		<u>1,451,630</u>	
Total current assets		<u>1,319,406</u>		<u>1,579,007</u>	
Liabilities					
	18				
Creditors: amounts falling due within one year		<u>(269,437)</u>		<u>(435,068)</u>	
Net current assets/liabilities		1,049,969		1,143,939	
Total assets less current liabilities		20,516,683		19,914,790	
Creditors: amounts falling due more than one year		(865,590)		(1,820,837)	
Provisions for liabilities		<u>(488,012)</u>		<u>(529,728)</u>	
Net assets		<u>19,163,081</u>		<u>17,564,225</u>	
The funds of the Foundation					
Endowment funds	19	14,710,656		13,988,290	
Restricted funds	20	249,150		239,239	
Unrestricted funds	21	<u>4,203,275</u>		<u>3,336,696</u>	
Total charity funds		<u>19,163,081</u>		<u>17,564,225</u>	

Approved by the Feoffees on 28th June 2024 and signed on their behalf by

M Wilcox
Chairman

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Statement of Cash Flows for the year ended 31st March 2024**

		31 st March 2024		31 st March 2023	
	Note	£	£	£	£
Cash flows from operating activities:	23				
<i>Net cash provided by/(used in) operating activities</i>			(648,681)		(307,397)
<i>Cash flows from investing activities:</i>					
Dividends, interest & rents from investments		1,414,461		1,245,992	
Purchase of property		(395,000)		0	
Proceeds from sale of investments		5,677,420		64,312	
Purchase of investments		<u>(5,249,585)</u>		<u>(173,705)</u>	
<i>Net cash provided by/(used in) investing activities</i>			1,447,296		1,136,599
<i>Cash flows from financing activities:</i>					
Repayments of borrowing		<u>(1,068,593)</u>		<u>(132,235)</u>	
<i>Net cash provided by/(used in) financing activities</i>			<u>(1,068,593)</u>		<u>(132,235)</u>
<i>Change in cash & cash equivalents in the reporting period</i>			(269,978)		696,967
Cash & cash equivalents at the beginning of the reporting period			<u>1,451,630</u>		<u>754,663</u>
Cash & cash equivalents at the end of the reporting period			<u>1,181,652</u>		<u>1,451,630</u>
Analysis of cash & cash equivalents					
Cash in hand	22		<u>1,181,652</u>		<u>1,451,630</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts and accounting policies have been applied consistently throughout this year and the preceding year unless likewise stated.

The combination of the strong liquidity position, the practice of allocating funds for projects yet to be identified, the stress testing of forecasting models and the identification and assessment of income streams that may be at risk provide the Feoffees with high degrees of confidence that the charity is well placed to continue its work in a meaningful way. In particular, the Feoffees are not aware of any material uncertainties that cast significant doubt on the Foundation's ability to continue as a going concern.

Public benefit entity

The Foundation constitutes a public benefit entity as defined by FRS 102.

Funds

(i) The Foundation has a permanent endowment, which was derived from the will of Thomas Foley, made and published, in or about the month of January 1671, to be used in furtherance of the objects of the Foundation. Income arising on the endowment is wholly unrestricted.

(ii) Restricted funds are those that are to be used in accordance with donors' instructions. They were created by legacies and donations that aim to further and support charitable activities by providing for bursaries, prizes and welfare.

Until last financial year, restricted funds also included sinking funds comprising recoupment orders to replace endowment funds applied in the development of the buildings of the School of the Foundation prior to 2007. The final recoupment period came to an end in December 2022 and comparative figures reflect this.

(iii) Unrestricted funds are those funds available for use in furtherance of the Foundation's charitable objectives and include funds designated, at the Feoffees' discretion, for specific purposes.

(iv) Transfers between Funds are at valuation unless otherwise stated.

Further details of each fund are set out in notes 19-21.

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(i) Donations & legacies

Donations are recognised when the Foundation has been notified of both the value and expected date of receipt otherwise they are accounted for on a receipts basis. Incoming resources from associated tax reclaims are included at the same time as the gift to which they relate.

(ii) Investment income

Investment income derived from deposits and securities will normally be recognised on receipt of a statement or payment advice. Where it is derived from a rental agreement it will be recognised in accordance with the payments dates and values in that agreement.

(iii) Taxation

The income of the Foundation is not subject to taxation, save for that deducted at source and irrecoverable. Value added tax is chargeable on eligible taxable supplies and, for property rental, where there is an option to tax.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

Expenditure recognition

Expenditure is charged on an accruals basis and liabilities are recognised where there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be requested and the amount of the obligation can be reliably measured.

(i) Grants

Grants made to the School of the Foundation are conditional only on their being used solely for the purpose for which they were intended. They are recognised as expenditure when the School has been notified of the award and its value.

Grants awarded for the bursary and welfare support of individuals connected with the School may have further conditions attached and, to the extent that this is the case, instalments or future payments may be withdrawn if these conditions are not met. Grants for bursary and welfare support are recognised as expenditure when the recipient has been notified of the award and its value. Grants for bursary support are generally given for one academic year (paid termly) however if they are made for more than one academic year the multi-year grant is recognised as expenditure when the recipient has been notified of the award, its term and its value.

Where the Foundation is notified that a condition attached to an award has not been met then further instalments will be suspended until a decision is reached as to whether the grant will remain payable or be withdrawn. Until such time as this decision is made the grant is recognised as probably payable.

The granting of any award for bursary support is at the sole discretion of the Feoffees and there is no obligation to continue any support programme for any period beyond that agreed with the recipient however realistically this support will probably continue although the term and value may vary. The Feoffees remain mindful that they would not seek to reduce the assistance they can provide through support programmes wherever possible, as this would probably be to the detriment of the recipient's education and which would most likely be interrupted. To reduce this risk, provision is made for continuing bursary support beyond any agreed and notified awards where there are reasonable grounds to assume that circumstances will require it to be continued and that the applicant is likely to qualify for further support. The value of any award is at the discretion of the Feoffees and so, for the purpose of establishing the value of any such provision, the current rate is used unless the Feoffees are aware of any factors which would influence the value of the award in which case these will be applied in making a judgement as to the value of the provision.

(ii) Allocation of support costs and governance

Excepting investment management fees, which are charged to endowment funds, all other costs are charged against unrestricted income. That part which might be charged against restricted funds is considered too small a proportion to reasonably calculate and apportion.

Wherever possible expenditure is allocated to the activity to which it relates. The Foundation incurs little in the way of general running and overhead costs, being administered by the Steward out of one office within the school. Support costs comprise principally staff costs, office costs and meetings costs and are allocated based on an estimate of time spent. The basis of allocation is set out in note 7.

The costs of compliance with regulation and good practice, including statutory audit fees, trustee indemnity insurance and legal fees relating to governance, together with an apportionment of support costs are disclosed as other expenditure. They neither relate to raising funds nor are they related to expenditure on charitable activities. Other expenditure is detailed in note 12 to the accounts.

(iii) Taxation

Value added tax is recoverable to the extent it is associated with an eligible taxable supply and, for properties, where there is an option to tax. Irrecoverable value added tax is charged against the category of expenditure to which it relates.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

Fixed assets

(i) Tangible fixed assets and depreciation

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation.

Expenditure on additions and major capital improvements are capitalised but contributions to school and other property repairs are charged against revenue or funds set-aside for that purpose.

Tangible fixed assets are included at cost net of grants receivable by the Foundation and, excluding freehold land, depreciated on a straight-line basis at 2% per annum.

(ii) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the following methods:

- (a) Investments on a recognised stock market are valued at quoted rates at the balance sheet date.
- (b) Investments in a collective investment scheme are valued at rates calculated and published by the respective fund manager at the balance sheet date.
- (c) Investments in land and buildings are principally included at a valuation calculated by reference to rental income capitalised at an expected average rate of return for that type of property in continued existing use.
- (d) Investment assets designated for the time being for the Foundation's own use are carried at cost and, excluding freehold land, are depreciated on a straight-line basis at 2% per annum.

Any exceptions in applying the valuation methods are set out in the relevant notes to these accounts.

The Statement of Financial Activity includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if they have been purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the yearend (as described above) and their opening carrying value or their purchase value if they have been purchased during the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising 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. They are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and are subsequently measured at their settlement value. Financial assets comprise investment in securities, debtors and cash balances and financial liabilities comprise creditors, provisions and bank loans. All of these are detailed in the notes to the accounts.

Stocks of sundry stores

Stocks of sundry stores are valued at their cost net of any deduction for impairment.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

2. Trustees' expenses, remuneration and related party transactions

Feoffees give of their time freely and willingly to both the Foundation and the School. No remuneration or expenses were paid in the year, neither did any Feoffee, or person connected with a Feoffee, receive any benefit from the Foundation.

There were no related party transactions during the year.

3. Donations

	Unrestricted funds		Restricted funds	
	2024	2023	2024	2023
	£	£	£	£
Prize fund and bursary donations	0	1,500	9,930	17,575
Legacy	0	0	0	6,102
General donations	126,793	66,216	0	0
	<u>126,793</u>	<u>67,716</u>	<u>9,930</u>	<u>23,677</u>

4. Income from charitable activities

	2024	2023
	£	£
Provision of clerking and other administrative assistance to the School of the Foundation and its Governing Body	27,500	27,500

5. Investment & property income

	Unrestricted funds		Restricted funds	
	2024	2023	2024	2023
	£	£	£	£
Marketable securities – listed in the UK	116,735	106,318	13,097	9,890
Marketable securities – listed outside the UK	1,521	4,782	0	0
	<u>118,256</u>	<u>111,100</u>	<u>13,097</u>	<u>9,890</u>
Property	1,253,802	1,120,617	0	0
Bank & other interest	29,306	4,385	0	0
	<u>1,401,364</u>	<u>1,236,102</u>	<u>13,097</u>	<u>9,890</u>

6. Other income

	2024	2023
	£	£
Wayleaves	500	500
Facilities fee	50,000	50,000
	<u>50,500</u>	<u>50,500</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

7. Allocation of support costs

	Cost of raising funds	Charitable activities	Governance	Total allocated
	£	£	£	£
Staff costs	24,146	8,049	8,049	40,244
Office services, meetings costs and general consumables	3,598	1,199	1,199	5,996
Year to 31 st March 2024	<u>27,744</u>	<u>9,248</u>	<u>9,248</u>	<u>46,240</u>
Staff costs	21,536	7,178	7,178	35,892
Office services, meetings costs and general consumables	3,617	1,206	1,206	6,029
Year to 31 st March 2023	<u>25,153</u>	<u>8,384</u>	<u>8,384</u>	<u>41,921</u>

Support costs have been apportioned between the cost of raising funds, charitable activity (excluding the provision of clerking and other administrative assistance) and governance based on an estimate of staff time being 60%, 20% and 20% respectively (2023: 60%, 20% and 20%). The provision of clerking and other administrative assistance absorbs a significant number of the available hours and the staff cost of providing this is allocated to that activity. No additional support costs have been added.

8. Staff costs and remuneration of key personnel

In accordance with the provisions of the Scheme, the Feoffees continue to employ one person as Steward; a role they consider a key management position. On behalf of the Foundation the Steward also provides clerking and other administrative assistance to the School of the Foundation and its Governing Body.

No remuneration, expenses or benefits were paid to the Feoffees during the year (2023: £nil).

Staff costs amounted to £97,851 (2023: £91,568) and included social security costs of £5,131 (2023: £4,860) and pension contributions of £10,213 (2023: £9,598). The Steward's emoluments fall into the bracket £80,000-£90,000 (2023: £70,000-£80,000).

9. Investment management fees

	Unrestricted funds		Endowment	
	2024	2023	2024	2023
	£	£	£	£
Investment management fees	<u>535</u>	<u>0</u>	<u>10,472</u>	<u>18,756</u>

Investment management fees are those fees charged by fund managers for the management and administration of the Foundation's portfolio of marketable securities, managed funds and cash deposits.

10. Property costs

	2024	2023
	£	£
Property maintenance	53,040	60,243
Other property costs	3,194	1,423
Insurance	4,498	3,974
Loan interest	132,838	91,497
Letting & other professional fees	47,027	56,144
Support costs	<u>27,744</u>	<u>25,153</u>
	<u>268,341</u>	<u>238,434</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

11. Charitable activities

	2024	2023
	£	£
Bursaries, prizes & welfare from unrestricted funds		
Provision of bursaries & prizes:		
Bursaries	207,512	273,713
Prizes & other awards	2,500	2,307
Provision of welfare requests:		
Welfare	562	13,307
School Fund	25	25
Supporting excellence in education	152,986	104,660
Hospitality & functions	320	188
Other donations:		
Donation to St Mary's Church	4,500	4,500
	<u>368,405</u>	<u>398,700</u>
Bursaries, prizes & other support from restricted funds		
Bursaries, prizes & welfare support	6,000	9,040
Donation to Old Foleyans Association	2,976	996
	<u>8,976</u>	<u>10,036</u>
Total expenditure on bursaries, prizes & welfare	<u>377,381</u>	<u>408,736</u>
Property costs		
School maintenance projects from unrestricted funds	14,960	20,000
Depreciation from endowment funds	43,553	43,553
Total expenditure on property	<u>58,513</u>	<u>63,553</u>
School development & support		
Provision of clerking and other administrative assistance	57,608	55,675
Total expenditure on school development & support	<u>57,608</u>	<u>55,675</u>
Summary of expenditure on charitable activities:		
Bursaries, prizes & welfare	377,381	408,736
Property costs	58,513	63,553
School development & support	57,608	55,675
Support Costs	9,248	8,384
	<u>502,750</u>	<u>536,348</u>

The Foundation awarded grants to a number of individuals, to the School of the Foundation and to organisations directly and closely associated with the School of the Foundation. Individuals receiving grants are all members, or former members, of the School community.

Bursary awards were made to 49 individuals (2023: 50) to assist with the payment of boarding fees for pupils at the School of the Foundation. A further grant of £2,500 was made to assist with the payment of fees for individual music tuition. Bursaries and prizes from restricted funds are principally academic, achievement or welfare awards made to individuals attending or associated with the School of the Foundation.

Welfare requests are grants to the School of the Foundation.

A donation is made to St Mary's Church, Old Swinford, for the use of the church for services throughout the year by the School of the Foundation and in lieu of collection from the pupils of the School.

Depreciation is charged on tangible fixed assets and investment assets designated for the Foundation's own use, excluding freehold land.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

Support costs have been allocated in accordance with note 7 as follows:

	Charitable activity	Support costs	Total
	£	£	£
Bursaries, prizes and welfare	377,381	7,861	385,242
Property costs	58,513	1,387	59,900
School development & support	57,608	0	57,608
Year to 31 st March 2024	<u>493,502</u>	<u>9,248</u>	<u>502,750</u>
Bursaries, prizes and welfare	408,736	8,384	417,120
Property costs	63,553	0	63,553
School development & support	55,675	0	55,675
Year to 31 st March 2023	<u>527,964</u>	<u>8,384</u>	<u>536,348</u>

12. Other expenditure

	2024	2023
	£	£
Support costs	9,248	8,384
Audit fees	8,900	7,940
Legal fees	0	(1,000)
Indemnity insurance	2,333	2,223
	<u>20,481</u>	<u>17,547</u>

The auditors' remuneration was solely in respect of audit fees paid and payable to Crowe U.K. LLP.

13. Net gains/(losses) on investments

	Restricted funds	Endowment funds	Total 2024	Total 2023
	£	£	£	£
Gains/(losses) on:				
Disposal of marketable securities	27	67,050	67,077	(2,094)
Lease extension granted	0	0	0	12,316
	<u>27</u>	<u>67,050</u>	<u>67,077</u>	<u>10,222</u>
Unrealised gains/(losses) on:				
Estate property	0	5,871	5,871	3,206
Housing property	0	247,445	247,445	127,438
Marketable securities	(4,167)	456,025	451,858	(244,210)
	<u>(4,167)</u>	<u>709,341</u>	<u>705,174</u>	<u>(113,566)</u>
Total gains/(losses)	<u>(4,140)</u>	<u>776,391</u>	<u>772,251</u>	<u>(103,344)</u>

14. Transfer between funds

Within unrestricted income funds amounts were transferred to designated funds for purposes as follows:

- £100,000 (2023: £180,000) for estate and housing costs and maintenance;
- £15,000 (2023: £15,000) for contributions to school maintenance;
- £125,768 (2023: £66,191) to support excellence in education, and
- £350,00 (2023: £351,500) for bursary and scholarship awards.

In the previous financial year £733,049 was transferred from Restricted Funds to Permanent Endowment on maturity of the remaining sinking fund and this is reflected in comparatives in these accounts.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

15. Tangible fixed assets

	Freehold		Total 2024	Total 2023
	Land	Buildings		
	£	£	£	£
Cost or valuation:				
At 1 st April and 31 st March	387,119	2,164,243	2,551,362	2,551,362
Depreciation:				
At 1 st April	0	770,847	770,847	727,562
Charged in the year	0	43,285	43,285	43,285
At 31 st March	0	814,132	814,132	770,847
Net book value at 31st March	387,119	1,350,111	1,737,230	1,780,515

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation. They are included in the financial statements at a valuation of 1st January 1950 plus the cost of additions since that date, net of grants receivable by the Foundation. Depreciation is charged against buildings at 2% per annum on a straight-line basis.

16. Investments

	Freehold estate	Freehold housing	Leasehold housing	Marketable securities	Investment fund units	Total 2024	Total 2023
	£	£	£	£	£	£	£
Cost or valuation:							
At 1 st April	5,740,046	3,042,184	1,886,723	3,474,135	2,853,148	16,996,236	16,990,187
Additions at cost	395,000	0	0	0	5,249,585	5,644,585	173,706
Disposals at opening book value	0	0	0	(3,472,100)	(2,138,242)	(5,610,342)	(54,091)
Net revaluation gains/(losses) in year	5,871	146,000	101,445	(2,035)	453,893	705,174	(113,566)
At 31 st March	6,140,917	3,188,184	1,988,168	0	6,418,383	17,735,652	16,996,236
Cost or prior valuation at 31 st March	4,290,233	1,147,927	1,590,280	0	5,724,083	12,752,523	10,546,293
Depreciation:							
At 1 st April	0	(5,900)	0			(5,900)	(5,632)
Charged in the year	0	(268)	0			(268)	(268)
At 31 st March	0	(6,168)	0			(6,168)	(5,900)
Net book value at 31st March	6,140,917	3,182,016	1,988,168	0	6,418,383	17,729,484	16,990,336
Analysis of value by fund:							
Unrestricted funds	0	0	0	0	3,534,678	3,534,678	2,485,688
Restricted funds	0	0	0	0	221,761	221,761	225,931
Endowment funds	6,140,917	3,182,016	1,988,168	0	2,661,944	13,973,045	14,278,717
	6,140,917	3,182,016	1,988,168	0	6,418,383	17,729,484	16,990,336

All investments are carried at their fair value, which has been determined for each class of asset as set out next.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

Property

As a general rule the fair value of investment property has been calculated with reference to rental income generated on each property capitalised at an expected average rate of return for that type of property in continued existing use. The Feoffees consider the basis adopted to be reasonable, fair and realistic and to reflect the use of the asset.

Where this basis is used the resultant values are compared to market values or approximations, in so far available, and values reduced to the extent that they may be higher than market value.

A review of residential rental values was carried out in March 2023 by Mr J R Harris MNAEA, of Ian Perks Estate Agents. The review also reported on estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Three properties (2023: one) have a calculated value in excess of its recommended market value and have accordingly been reduced to fall in line.

Where capitalising rental would give an unrealistic valuation or where there is no rental to base a valuation upon for example, the fair value of each property is separately assessed in the context of its use or intended use. This has been applied as follows:

- On small sites which return rental for telephone masts, the land is included at cost if known or a reasonably nominal value otherwise.
- The freehold underlying the Foundation's leasehold properties plus five owned by others and the surrounding amenity space, which was acquired in two parts over 2013-2015, stands at cost. The purchase of the freehold was advised by Mr A Herbert FRICS MARLA IRRV(Hons) of Pennycuik Collins, Chartered Surveyors. Ground rental is insignificant and an unsuitable valuation base for this holding. The owned leaseholds and their associated freehold remain separate and have been valued as such.
- Freehold land made available to the School for sports fields has been included at a valuation of £190,000 based on the site, undeveloped, but with the benefit of planning consent and vacant possession. Full development costs have not been capitalised. The Feoffees consider the valuation, prepared in February 2010 by Sellers, Chartered Surveyors, to be reasonable for valuation purposes and in its present use.
- Treherns Farmhouse has been made temporarily available to the School for use as a first aid post and changing room in connection with the sports fields adjacent to it. Until November 2015 the property was rented out as a residential property. Its value based on the principle of capitalised rental was £130,000. This compares to an estimated market value of £607,000. As the property is not currently available for sale or alternative use the Feoffees have elected to retain the value previously adopted until such time as the future use of the farmhouse is determined.
- Hanbury Hill House is made available for the School for teaching purposes and no rent is charged. It is included at cost less depreciation charged at 2% per annum on a straight-line basis.
- The more recently acquired Swinford Court and land at Union Street are included at cost.

Securities

The fair value of investment in COIF Charities Investment Fund units is established by reference to rates published by CCLA as is the value of investment in COIF Property Fund units.

The fair value of investment in Cazenove Charity Sustainable Multi-Asset Fund units is established by reference to rates published by Cazenove Capital.

The fair value of investment in M&G Charifund units is established by reference to rates published by M&G Investments.

The Feoffees consider that generally, individual holdings with a valuation in excess of 5% of the total portfolio value are material. They also consider the land comprising Treherns & Racecourse Farms and the Stourbridge Golf course to be significant although their valuation is less than 5% of the total portfolio.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

As at 31st March the following material investments were held:

	2024	2023
	£	£
Holdings valued above 5%:		
Swinford Court	3,522,500	3,522,500
COIF Charities Investment Fund	3,057,307	2,485,072
Cazenove Charity Sustainable Multi-Asset Fund	3,004,459	0
Other significant holdings:	9,584,266	6,007,572
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<u>10,741,102</u>	<u>7,164,408</u>

17. Debtors

	2024	2023
	£	£
Rental income and licence fees due	3,306	1,778
Provision for doubtful debts	(2,948)	(1,633)
Debtors, prepayments and accrued income	133,954	126,224
	<u>134,312</u>	<u>126,369</u>

18. Liabilities

	2024	2023
	£	£
Creditors: amounts falling due within one year:		
Rentals received in advance and deposits held	37,319	55,815
Bursaries, prizes and welfare	81,798	79,444
Taxation due	1,340	16,345
Creditors and accrued fees	16,742	37,880
Bank loan	132,238	245,584
	<u>269,437</u>	<u>435,068</u>
Creditors: amounts falling due more than one year:		
Bank loan	865,590	1,820,837
	<u>865,590</u>	<u>1,820,837</u>
Provisions for liabilities		
Provisions for bursary support brought forward	529,728	487,090
Allocated to bursary awards	(191,053)	(168,889)
Additional provision	149,337	211,527
Provision for bursary support carried forward	488,012	529,728
	<u>488,012</u>	<u>529,728</u>
Provisions for awards expected within one year	212,755	206,361
Provisions for awards expected in more than one year	275,257	323,367
	<u>488,012</u>	<u>529,728</u>

The movement in provisions for bursary support is the net increase/(decrease) in provision after a reassessment of expected future costs to maintain current bursary awards.

On 31st March 2020 the Feoffees entered into a term loan with National Westminster Bank Plc for the sum of £2,485,000 to facilitate the acquisition of the former Stourbridge College site (now known as Swinford Court) and on which the loan is secured. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at £3,522,500 being its cost after the settlement of retentions. All loan repayments were met during the year together with a lump sum repayment of £980,000. The balance outstanding at 31st March 2024 was £997,828.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

19. Endowment funds

	Balance 1st April	Income	Movement in funds Expenditure	Gains, losses & transfers	Balance 31st March
	£	£	£	£	£
Permanent endowment fund					
Year to 31 st March 2024	13,988,290	0	(54,025)	776,391	14,710,656
Year to 31 st March 2023	13,380,008	0	(62,309)	670,591	13,988,290

Permanent endowment funds are those funds derived from the will of Thomas Foley, the income from which is used in furtherance of the objects of the Foundation.

20. Restricted funds

	Balance 1st April	Income	Movement in funds Expenditure	Gains, losses & transfers	Balance 31st March
	£	£	£	£	£
D T Plant fund	30,269	1,751	(1,751)	(566)	29,703
Williams-Thomas bursary fund	16,106	861	(750)	(271)	15,946
Don Williams prize fund	16,099	785	0	(247)	16,637
Kieran Duffy memorial fund	36,864	1954	(1,500)	(616)	36,702
Krukowski maths fund	11,109	590	(250)	(186)	11,263
William Cooper bursary fund	7,751	395	(250)	(124)	7,772
Parents' bursary fund	80,234	14,371	(2,500)	(1399)	90,706
Owen Evans fund	9,869	534	(350)	(168)	9,885
Dyson fund	14,513	841	(841)	(265)	14,248
Sheila Tuft Fund	9,800	561	(400)	(177)	9,784
Brian Norgrove Fund	6,625	384	(384)	(121)	6,504
Year to 31 st March 2024	239,239	23,027	(8,976)	(4,140)	249,150
Prior Year balances					
Sinking funds	761,564	0	0	(761,564)	0
D T Plant fund	32,228	32	0	(1,991)	30,269
Williams-Thomas bursary fund	16,987	836	(750)	(967)	16,106
Don Williams prize fund	16,218	762	0	(881)	16,099
Kieran Duffy memorial fund	38,661	1,897	(1,500)	(2,194)	36,864
Parents' Association fund	3,373	41	(3,290)	(124)	0
Krukowski maths fund	11,448	573	(250)	(662)	11,109
William Cooper bursary fund	8,061	383	(250)	(443)	7,751
Parents' bursary fund	64,811	20,882	(2,000)	(3,459)	80,234
Owen Evans fund	10,450	519	(500)	(600)	9,869
Dyson fund	15,457	817	(817)	(944)	14,513
Sheila Tuft fund	10,385	545	(500)	(630)	9,800
Brian Norgrove Fund	0	6,280	(179)	524	6,625
Year to 31 st March 2023	989,643	33,567	(10,036)	(773,935)	239,239

Sinking funds provided for the replacement of funds used for authorised capital and other expenditure and dated prior to 2007. The final recoupment order matured in December 2022.

The D T Plant fund, created by legacy, provides income payable to the Old Foleys Association.

The Williams-Thomas bursary fund, created by legacy, pays income to support pupils at the School.

The Don Williams prize fund, created by legacy, pays income towards providing prizes for academic achievement.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

The Kieran Duffy memorial fund, created by donations in memory of a former pupil killed in a flying accident during the Gulf War, provides income to support pupils at the School.

The Krukowski maths fund, created by donation, pays income for a grant to be given to a pupil going on to study mathematics at university and nominated by the Headmaster.

The William Cooper bursary fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees to support pupils at the School.

The Parents' bursary fund, created by donations from parents, allows for both income and capital to be used at the discretion of the Feoffees to assist any needy pupil at the School.

The Owen Evans fund, created by donation, pays income to support pupils at the School.

The Dyson fund, created by legacy, is for the benefit of the Old Foleyans Association.

The Sheila Tuft fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees for general charitable purposes in memory of Mrs Christine Forshaw (nee Edge).

The Brian Norgrove fund, created by legacy, is for the benefit of the Old Foleyans Association.

21. Unrestricted funds

	Balance 1st April £	Movement in funds			Balance 31st March £
		Income £	Expenditure £	Transfers £	
Income funds	1,847,464	1,606,157	(389,610)	(590,768)	2,473,243
Designated funds:					
Bursary & Welfare fund	275,461	0	(207,512)	350,000	417,949
School property maintenance fund	76,717	0	(14,960)	15,000	76,757
Investment property maintenance fund	851,026	0	(53,040)	100,000	897,986
Land development fund	219,837	0	(8,265)	0	211,572
Excellence in Education	66,191	0	(66,191)	125,768	125,768
Year to 31 st March 2024	<u>3,336,696</u>	<u>1,606,157</u>	<u>(739,578)</u>	<u>0</u>	<u>4,203,275</u>
Prior Year balances					
Income funds	1,418,091	1,381,818	(339,754)	(612,691)	1,847,464
Designated funds:					
Bursary & Welfare fund	197,674	0	(273,713)	351,500	275,461
School property maintenance fund	61,717	0	0	15,000	76,717
Investment property maintenance fund	751,269	0	(80,243)	180,000	851,026
Land development fund	242,207	0	(22,370)	0	219,837
Excellence in Education	22,660	0	(22,660)	66,191	66,191
Year to 31 st March 2023	<u>2,693,618</u>	<u>1,381,818</u>	<u>(738,740)</u>	<u>0</u>	<u>3,336,696</u>

Unrestricted funds include funds set aside by the Feoffees out of unrestricted income funds for the purpose of:

Providing for bursary and welfare support

The Feoffees consider that a working capital base should be provided to support applications for bursary and welfare grants, which are made on an 'as needs' basis.

Providing for contributions to capital expenditure and repair of school property

A working capital base is maintained so that the Foundation can assist the Governing Body by providing grants from time to time to assist with capital projects and repairs.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

Attending to maintenance on estate and housing properties held as investments

The Feoffees consider that at all times sufficient funds should be set aside for property repairs consistent with a portfolio that includes a substantial property holding. Funds are set aside for specific properties and in general, the general element not to be less than £100,000.

Future land development

Funds have been set aside so that the Foundation can call upon resources to protect or develop its estate.

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fund balances are represented by:				
Tangible fixed assets	0	0	1,737,230	1,737,230
Investments	3,534,678	221,761	13,973,045	17,729,484
Net current assets/ (liabilities)	1,156,609	27,389	(134,029)	1,049,969
Liabilities more than one year	0	0	(865,590)	(865,590)
Provisions for liabilities	(488,012)	0	0	(488,012)
Net assets at 31 st March 2024	<u>4,203,275</u>	<u>249,150</u>	<u>14,710,656</u>	<u>19,163,081</u>

Unrealised gains/(losses) included above, and all in respect of investments:

	0	16,091	4,964,079	4,980,170
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Cash balances included in current assets above:

	<u>1,154,263</u>	<u>27,389</u>	<u>0</u>	<u>1,181,652</u>
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	1,780,515	1,780,515
Investments	2,485,688	225,931	14,278,717	16,990,336
Net current assets/ (liabilities)	1,380,736	13,308	(250,105)	1,143,939
Liabilities more than one year	0	0	(1,820,837)	(1,820,837)
Provisions for liabilities	(529,728)	0	0	(529,728)
Net assets at 31 st March 2024	<u>3,336,696</u>	<u>239,239</u>	<u>13,988,290</u>	<u>17,564,225</u>

Unrealised gains/(losses) included above, and all in respect of investments:

	0	20,222	6,429,721	6,449,943
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Cash balances included in current assets above:

	<u>1,438,322</u>	<u>13,308</u>	<u>0</u>	<u>1,451,630</u>
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		2024	2023
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	113,526	373,824
	Deposit accounts	626,678	996,813
National Westminster Bank Plc	Current account	30,139	72,138
Evelyn Partners	Deposit accounts	18	32
	Income account	0	8,782
Cazenove Capital	Liquidity account	411,251	0
	Income account	11	0
Cash		29	41
		<u>1,181,652</u>	<u>1,451,630</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2024 continued

23. Reconciliation of net movement in funds to net cash flow from operating activities and analysis of change in net debt

	2024	2023
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	1,598,856	500,956
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	(772,251)	103,344
Dividends, interest and rents from investments	(1,414,461)	(1,245,992)
(Increase)/decrease in stocks	(2,434)	194
(Increase)/decrease in debtors	(7,943)	718,446
Decrease in creditors	(94,001)	(427,898)
<i>Net cash provided by (used in) operating activities</i>	<u>(648,681)</u>	<u>(307,397)</u>

Analysis of changes in net debt in the year to 31st March 2024

	1st April	Cash flows	Other non-	31st March
	£	£	cash changes	£
			£	
Cash	1,451,630	(269,978)	0	1,181,652
Loans:				
Falling due within one year	(245,584)	221,431	(108,085)	(132,238)
Falling due after more than one year	(1,820,837)	980,000	(24,753)	(865,590)
Year to 31 st March 2024	<u>(614,791)</u>	<u>931,453</u>	<u>(132,838)</u>	<u>183,824</u>

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £nil (2023: £395,000) and capital expenditure contracted for but not provided amounted to £nil (2023: £nil). Major expenditure contracted for, but not yet provided amounted to £nil (2023: £nil).

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Accounts

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS
for the year ended 31st March 2023

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023

The Feoffees present their report along with the audited financial statements for Old Swinford Hospital, of Hagley Road, Stourbridge, West Midlands, Registered Charity Number 527116, otherwise called Thomas Foley's Charity, for the year ended 31st March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Post COVID-19

For the last three years we have reported and reflected on the exceptional circumstances we found ourselves in caused by the coronavirus pandemic with the statutory closure of the School and national lockdown and we set out our response to this and our plans going forward. As we emerged from this unprecedented time we looked back at the challenges we had faced and continued to face and how we adapted, managed and fared. We can share our thoughts on ongoing recovery, the needs of our beneficiaries and our plans for going forward in the light of this and also the current cost of living crisis and we do this in each of the relevant sections below.

Structure, governance and management

Scheme and constitution

Old Swinford Hospital is governed by the terms of a Charity Commissioners Scheme dated 16th June 1954 ('the Scheme') as amended by:

- Schemes of 2nd July 1986, 26th October 1987, 10th January 1989, 17th December 1997, 25th November 2004, and 15th July 2021;
- Modification Order of 5th January 2004, and
- Resolutions of 30th September 1999, 13th June 2000, 1st December 2005, 24th September 2009, and 23rd October 2015.

In accordance with the Scheme, 'the Foundation' means Old Swinford Hospital, at Stourbridge, founded by the will of Thomas Foley, made and published in or about the month of January 1671. Neither the Foundation nor the Trustees ('Feoffees') of the Foundation are incorporated.

Feoffees

The trustee body is a clearly identifiable 'simple' structure set up in accordance with the governing document and known as the Feoffees. The governing document provides for three Hereditary Feoffees, being or representing the respective male heirs of the three sons of the Founder, and up to twelve Co-optative Feoffees to be appointed by resolution of the Feoffees subject to there always being sufficient in number to provide the required number of Feoffees to sit on the Governing Body of the School of the Foundation. Co-optative Feoffees, a majority of whom shall be members of the Church of England, are elected for a five-year term, unless they held office at the inception of the Scheme, when they are elected for life. Retiring Feoffees, if eligible, may be re-elected. There are no longer any Feoffees eligible to be elected for life.

Within this remit the strategy for appointment looks to the profile of the body so that it can function to best advantage, due regard being had to skills, time and general ability to attend meetings and events, whether a potential Feoffee is willing, and able, also to be appointed to the Governing Body, the skills requirement of the Governing Body and any other interests which may be either conducive to, or conflict with, the workings of the Foundation.

Induction and training is provided so that:

- Prior to any appointment a potential Feoffee is made aware of the Foundation's purpose and aims, the scope of its remit, its financial position, current issues and the level of personal commitment required;
- Following appointment new Feoffees will be guided by the existing members, and
- Continued training and updates are given through the circulation of papers on relevant current issues, recommendations for webinar briefings or online training and the opportunity to attend Governor and Feoffee training from time to time.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

At 31st March ten Feoffees were in office, two being Hereditary Feoffees and eight Co-optative and their names are listed in the Reference & Administration section of this report.

During the year:

- At their meeting on 24th June 2022 the Feoffees:
Appointed Dr R B Guthrie and Mr R J Walker as Co-optative Feoffees;
Re-elected Mr M Wilcox as a Co-optative Feoffee for a further five-year term, and
Elected Mr Wilcox as Chairman of the Feoffees' meetings for the year and Mr R T Foley as Vice Chairman.
- On 22nd July 2022, after almost 42 years as a Feoffee, Mr D H Higgs retired. Not only a Feoffee, Mr Higgs had also been a Governor since 1982 and chaired the Governing Body for eighteen years during that time. His long service and dedication were undoubted and his contributions to both the Foundation and the School steadfast and significant, so it was with pleasure that the Feoffees, along with the Headmaster, had no reservation in awarding Mr Higgs the title of Honorary Foleyan, a title to acknowledge special commitment beyond that normally expected of a person's role and that continues a link with the Foundation and the School. Feoffees wished Mr Higgs well in his retirement and hoped he would join them on special occasions in the future.
- The Feoffees appointed Mr J R Edwards as a Co-optative Feoffee from 9th October 2022.

The School of the Foundation and its Governing Body

With the admission of girls as boarders and into the lower school from September 2021, the School of the Foundation, also known as Old Swinford Hospital, became a voluntary aided boarding and day school and this was reflected in the Foundation's constitution by a Charity Commission Scheme dated 15th July 2021.

The Foundation is not responsible for the running of the School but provides or nominates seven persons to sit as Foundation Governors on the Governing Body. Feoffees sitting on the Governing Body during the year were:

M J Billingham (resigned 8th April 2022)
P T Foley FCII, MCI Arb, MEWI
R T Foley
R B Guthrie
P W Mason FCA
R J Walker
M Wilcox FRICS

Mr I W King sits on the Governing Body as a Foundation Nominated Governor.

There remains one vacancy for a Foundation Governor. Regulation requires that in nominating Foundation Governors the Feoffees must have regard to the experience and skills required by the Governing Body to provide effective governance. The Feoffees are consulting with the Governing Body as to their skills needs.

In addition, and separately from voluntary aided regulations, Feoffees may be appointed by the Governing Body to sit as Associate Members. None sat as Associate Members at any time during the year.

Organisation

The Foundation is administered by the Feoffees who meet termly or more often if they find they need to do so however:

- Messrs Hornby, Taylor and Yeates have delegated authority in respect of bursary awards and other grants to individuals within the annual awards budget agreed by the Feoffees, and
- A Steward is employed to manage the day-to-day business of the trust.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Key management personnel remuneration

All of the Feoffees have an equal part to play in the business of the Foundation. Some tasks however are delegated to one or more of their number and in this respect they consider the Chairman of the Feoffees and the Steward as key management personnel of the Foundation, in charge of directing and running the day-to-day operations of the charity. They also consider those Feoffees sitting as Foundation Governors, along with the Steward who acts as Clerk to the Governing Body, to be key management personnel in providing substantial practical benefit to the School of the Foundation.

All Feoffees give of their time freely to both the Foundation and the School and none receive any remuneration, expenses or benefit.

The pay of the Steward is reviewed annually and normally increases in line with inflation. In assessing the appropriate salary for this role the Feoffees have regard to the diverse nature of the role and the need for a wide range of both skills and knowledge. They take into account the qualifications, skills and experience of the Steward and what she might get paid in other organisations and in particular the pay scales for senior management in the School of the Foundation.

Risk management

The Feoffees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage those risks and mitigate exposure as far as possible. Their response to the pandemic, what we have learned from this time and moving forwards as we emerged from it, is included throughout this report however related to this, and to the assessment of overall risk, special consideration has been given to:

- Reviewing and monitoring income streams to identify sensitivities and likely concerns;
- Diversity and spread in investment portfolios to lessen overall volatility;
- Active asset management to maintain the quality of rental properties and to keep voids to a minimum;
- Keeping abreast of best practices, market overviews and sector developments allowing us to continually reassess our place in all of this;
- Maintaining reserves levels and the designation of funds for specific purposes;
- Building flexed budgets based on robust assumptions and focussed on planned charitable activity but with the capacity to take on further charitable projects;
- Forecasting and liquidity to ensure income streams can service the debt, and
- Adopting safe, efficient and effective working practices to enable us to sustainably deliver charitable benefit.

The Feoffees are satisfied that they continue to manage these risks appropriately.

Governance Code

The Foundation's position in relation to this non-statutory Code has been monitored since the first edition and, in the context of the charity's simple structure and remit, the 2020 update was formally adopted in March 2021. The Feoffees will look to work within it as far as it is appropriate, reasonable and practicable to do so.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Reference & Administrative Details

Feoffees:

Hereditary Feoffees:

P T Foley FCII, MCI Arb, MEWI, 1989

R T Foley, 1991

Co-optative Feoffees:

D H Higgs, 1980 (retired 22nd July 2022)

M Wilcox FRICS, 1997 (Chairman)

A J Yeates B Pharm, 1998

P W Mason FCA, 2007

M J Billingham, 2009 (resigned 8th April 2022)

J M Hornby MA, FCA, 2020

D J Taylor MI, FIH, 2021

Dr R B Guthrie (appointed 24th June 2022)

Mr R J Walker (appointed 24th June 2022)

Mr J R Edwards, ACII (appointed 9th October 2022)

Steward:

Mrs B Hirons BA(Hons), BFP, FCA

Headmaster:

P T Kilbride MA (Oxon), NPQH, FRSA

Advisors:

Auditors

Crowe U.K. LLP

Black Country House, Rounds Green Road, Oldbury, B69 2DG

Bankers

HSBC Bank plc

114 High Street, Stourbridge, DY8 1DZ

Solicitor

Burges Salmon LLP

One Glass Wharf, Bristol, BS2 0ZX

Investment Advisors

Evelyn Partners (formerly known as Smith & Williamson Investment Management LLP)

45 Gresham Street, London, EC2V 7BG

Residential Letting Agent

Ian Perks Letting Agent

20-22 Hagley Road, Stourbridge, DY8 1QQ

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Objectives and activities for the public benefit

Charitable objects

The Foundation and its endowments are administered in accordance with the provisions of the Scheme to the benefit of the School of the Foundation. Over 350 years ago when Thomas Foley set up and endowed the School of the Foundation his aim was to provide education and entry into a trade for poor but deserving local boys. He was forward thinking enough to see that these philanthropic ideals could benefit the lives of those individuals who came to his school and his principles are as current and relevant today as they were then. The Feoffees uphold the Founder's values but like Thomas Foley each generation of Feoffees, whilst maintaining a wealth of traditional values, has been forward thinking enough not to be afraid to move with the times. Today the School operates in a modern context as a voluntary aided boarding and day school within the State education system managed by a Governing Body under the Local Authority, Dudley Metropolitan Borough Council. The Foundation manages the endowment to the benefit of the School.

In setting objectives and planning activities the Feoffees have given careful consideration to the Charity Commission's guidance on public benefit and are confident that their aims, their activities and their future plans continue to be wholly consistent with the guidance given. They further consider that the admission of girls to boarding and to the lower school from September 2021 gave them the opportunity to broaden the sections of the public who have access to the benefits of the charity and were pleased when the Charity Commission issued a scheme to enable this.

As a Foundation the Feoffees look to support the School's Governors in meeting the aims they have set for the School and which overridingly look 'to provide an outstanding education, both within and beyond the classroom, which enables pupils to realise and exceed their potential' and above all 'to provide a uniquely stimulating and supportive environment in which all individuals flourish, grow in understanding, self-confidence and self-esteem and are fully equipped to meet the challenges and demands of life beyond school.' To that end the Feoffees look specifically to promote:

- Educational standards and excellence;
- The benefits that can come from a boarding education;
- Rewarding success in all fields, and
- A wide and far reaching programme of extra-curricular activities that add to the overall educational experience.

The Feoffees have put together a package of support measures that aim to ensure their objectives can be met with successful outcomes resulting in all pupils having the opportunity to benefit from their time at the School. These programmes of support are wide ranging, focussing upon individuals, groups and the whole school community. The provision of bursaries, grants to promote excellence in standards of education and welfare awards to enhance the development of the School and its environment are fundamental objects of the trust that seeks to:

- Provide boarding awards for pupils where there is a financial need;
- Encourage excellence;
- Provide some small assistance to those pupils and former pupils of the School who seek to achieve excellence in a goal beyond school and basic further education and who are, in the view of the nominated Feoffees, regarded as exceptional, and
- Work with the Headmaster and the Governing Body to provide such benefits as may be considered desirable for the School and which otherwise would not normally be provided from annual maintenance grants paid under the Education Acts.

The Foundation provides a direct public benefit by making available to the Governing Body the site and buildings comprising Old Swinford Hospital for educational use.

The Feoffees devote a great deal of their time to the School and by acting as school governors. By sitting on working parties and by advising when asked they further enhance their charitable support. In addition, they make available the time of their Steward to provide clerking and other advice and assistance to the School and the Governing Body.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Grant making policy

As a school within the State sector entry is open to children of secondary school age who are eligible for a state funded education. Whilst this is a very wide sector of the public the Feoffees are aware that although education is state funded, for those who board, boarding facilities attract a fee. Boarding fees are the remit of the Governing Body not the Foundation and whilst the fee is extremely good value and very competitive there is nevertheless a fee to pay. A package has therefore been developed which looks to support both new and existing pupils in paying boarding fees.

The provision of bursaries is fundamental to the trust. However, to be realistic and to ensure the long term future of the support scheme, a number of principles are applied to award applicants including amongst others means testing and boarding need. Bursaries may be granted for existing boarding pupils, existing pupils seeking to come into boarding (and who have been deemed, by the School, to be suitable to board) and children seeking to enter the School (and who have been offered a place at the School and have been deemed, by the School, to be suitable to board). The principal criteria for awarding bursaries to the parents of an existing boarding pupil is that there must have been a clearly identifiable, significant and unforeseen worsening in the financial circumstances of the parents such that they cannot now practicably afford the whole of the boarding fee and that there would be a clear and significant detrimental effect on the pupil's education or development were they no longer to board at the School. For those seeking to come into boarding the pupils' parents must be able to demonstrate that they cannot practicably afford the whole of the boarding fee and that there would be a clear and significant advantage to the pupil's education or development were they to board at the School. Bursaries are a contribution towards boarding fees; except in very exceptional circumstances they do not cover fees in full and in all cases parents will be expected to make every effort to obtain support from other sources, as there must be a realistic chance that the remainder of the boarding fee can be met by the parents or by others.

The Feoffees have been aware of general financial pressures upon families because of economic difficulties in recent years and recognise that the scale of their support to individuals needs to be of meaningful value to make a difference. The pandemic added to this pressure which is now compounded by exceptional increases in energy costs, general inflation and rapidly increasing interest rates as a measure to contain this. The practice of providing funds for future support gives us the assurance that programme funding can be met for all existing bursary pupils until they have completed their GCSE's or, if they are already in the 6th Form, until they have completed their A level or vocational qualifications. The practice of designating funds for bursary support provides us with comfort that there are also funds available to assist additional pupils, who may or may not already attend the school, and it is through these funds that the Foundation is able to assist with grants towards fees for those boarding families who have a need arising. If there are more applications than available funding priority will be given to supporting pupils already in the school.

Over the years the Feoffees have worked with the Headmaster and with other like-minded support charities to achieve the best outcome for those who found themselves in need of assistance and they continually review how best to widen their support to enable more pupils, who have a need and whose families have limited means, to come into the School.

The Foundation accepts the nominations of the Headmaster for awards made from smaller specific funds and consults with him on applications for other grants to individuals including financial assistance to ensure that all pupils are able to participate in academic trips and extracurricular activities and to receive music tuition.

Donations are also made to provide a range of benefits as agreed from time to time between the School and the Feoffees and that would not normally be provided from maintenance grants paid under the Education Acts.

All grants are discretionary but the schemes have been developed so that advantage can be taken of additional funding streams that may be available from other trusts, from the School's Old Boys (the Old Foleyans Association) and from the School itself and which, when combined, can provide a workable support package.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Achievements and performance

With expectations of another challenging year for everyone, it was with some confidence the Feoffees remained able to go into it from a position of strength. Their prudent management of funds in the past, sound reserves policies, strong levels of liquidity and a balanced investment model had served them well through recent turbulent times so that the Foundation was in a good position to continue to meet its charitable purpose in a sustainable and meaningful way. The financial outcomes for the year demonstrate sufficiency of funding and funding streams to meet the full delivery of bursary and support programmes whilst encouraging excellence in education and contributing to wider projects, providing effective help to its beneficiaries as they too continued to face their own constraints and challenges.

The School of the Foundation

As the school year settled into a more normal routine it was also welcoming a second intake of girls into the lower school as part of its planned expansion programme. This in itself was a challenge but one that could be planned for, yet it found itself doing this whilst coping with post pandemic challenges and most noticeably staff and pupil absence impacting on the delivery and take up of education and rising concerns over mental health.

The value of the governance role in developing strategy and supporting and assisting the School's leadership team continued to be a key element in ensuring the success of the expansion programme and in creating the infrastructure in which the School could grow and it was in both of these key roles the Foundation could provide practical and substantial assistance. In continuing to promote learning, through the support for excellence in education programme, £7,000 was granted towards the provision of more interactive screens for classrooms, £75,000 towards the creation of new and additional Art rooms and £22,660 used to develop existing teaching accommodation and learning resources including the provision of drama and dance studios. We also made a grant of £20,000 towards school maintenance and improvement.

Bursaries, prizes and welfare

As planned in our forecasting model, bursary spending continues to support school admissions and promote boarding so that during the year £279,213 was awarded in, or provided for, bursaries adding yet more pupils to the scheme, all of which was part of our strategy to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees.

The practice of providing support packages in conjunction with other funding sources continues to be successful. Assistance remains focussed where it is most needed and where it was best placed to support pupils and to add value to their time at the School so key examination years and 6th form study continue to be primary criteria in assessing applications as do those pupils who would benefit from boarding. The latter still show a need for longer-term support but with the use of funds designated for bursaries the Feoffees are able to offer this support which is much in keeping with the Founder's original intent.

In making our bursary grants we were able to draw on the support of income provided by the Williams Thomas Bursary Fund, Kieran Duffy Memorial Fund, Owen Evans' Fund, Parents' Bursary Fund, Sheila Tuft Fund and William Cooper Bursary Fund which, together, contributed £5,500 towards supporting children in boarding. In addition, we made grants totalling £2,034 towards individual music tuition and £273 towards exam fees, whilst the Krukowski Maths Fund gave a prize of £250 and £3,290 was given to the Parents' Association from the funds held specifically for their use.

The welfare, events and development programmes which benefit the whole school or much larger groups within the school community got underway again and grants included £11,144 towards transport for pupils and staff to travel to Twickenham to watch the School's under 15 and 1st XV rugby teams play in the national finals of the Continental Tyres Schools Vase in their respective age groups, both being victorious and the occasion cementing the ethos and community of the School of the Foundation.

Feoffees were delighted to receive donations to help with their charitable objectives of £17,575, coming from parents of pupils leaving the School and £66,191 from Old Swinford Enterprises Ltd. They were also delighted to receive £1,500 from the Old Foleyans Association towards bursary support and a legacy of £6,102 from the will of Mr Brian Norgrove that can be used at their discretion in support of the Old Foleyans' Association.

The Feoffees continue to make available to the School one of the Foundation's residential investment properties for use as a temporary first aid post and changing facility in connection with the adjacent sports fields; an arrangement that is expected to continue for further playing seasons.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Portfolio development

The Feoffees continue to manage the Foundation's portfolio in a manner that maximises overall return from each element within it and in particular be vigilant for opportunities to enhance potential wherever possible.

Having previously taken professional planning advice, and set aside designated funds to assist in developing parcels of land over the next strategic land review in the borough and other authorities, the Feoffees continue to follow developments in the review process. This is a long-term project; the review is ongoing and we continue to engage with the process. Over the course of the year fees of £22,370 have been met from designated funds, all in relation to potential development. The Feoffees consider it is important to be properly advised and appraised of the progress and outcomes of the review and of the likely impact it may have upon the Foundation's assets and so choose to retain the designated fund balance for the time being.

Financial review

The Statement of Financial Activity on page 17, together with the notes thereon, show the income of the Foundation for the year to 31st March 2023, and how this income has been applied in furtherance of the objects of the Foundation.

The Foundation seeks to continue its work through the careful stewardship of its resources. Some donations are received and for this the Feoffees are most grateful but the Foundation is largely reliant on the income from its investments and property. Income from securities has shown some improvement and two additional rental properties that were added to the portfolio late last year have come online as income earning. The ongoing rent review programme has also increased rental income. The need to maintain the quality of the Foundation's housing stock held as investment assets to protect both the capital value and the rental stream is ever present and funds have been set aside for this purpose.

The Foundation does not raise funds from the public but it is happy to work with and assist the School to do so if they choose. However, no fundraising activity has taken place and no related expenditure was incurred.

The Balance Sheet as shown on page 18, and notes thereon, shows the financial position of each of the Foundation's funds as at 31st March 2023. The Feoffees are satisfied that each of the funds is adequately resourced and no fund is in deficit.

Investment policy and performance

Marketable securities- general portfolio

Investment managers are appointed to advise on marketable securities within the policy laid down by the Feoffees. The policy provides for capital to be invested to preserve asset values whilst generating income to support the needs of the School of the Foundation, balancing present day spending needs against the increasing demands of the future. The fair value of securities reflected market volatility throughout the year but when compared to a range of indicators the portfolio had performed less favourably. The Feoffees accept that there is inherent uncertainty and volatility in all financial markets however they chose to explore other fund management options and after a series of discussions and presentations elected to change their fund manager. The process of doing this will start in the new financial year.

Marketable securities – COIF Charities Investment Fund accumulation units

With the completion of the final recoupment order all of the Foundation holdings in COIF Charities Investment Fund accumulation units are held in the endowment. Over the year the unit price has stayed fairly neutral.

Marketable securities – COIF Charities Property Fund income units

COIF Charities Property Fund units have continued to decline over the year in common with other property portfolios however income remains steady at 5.6%.

Marketable securities – restricted income funds

The investments in these funds are all held in Charifund income units with the part of the holding which was managed by the Foundation's investment managers transferring during the year. The transfer was because the size of the restricted income portfolio was not sufficient to give adequate spread and diversity within the holding and to align with the Feoffees review of general fund management. All of the Charifund holdings are small and managed so as to produce a good income (5.29%) whilst sustaining the fair value of the investment. Fair values at the balance sheet date reflect similar trends to other diversified portfolios.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Property

The Foundation has a number of investment properties, which generate rental income.

The Foundation's residential letting agent assists with the management of housing stock, which is principally let by way of assured shorthold tenancies. The Steward manages the maintenance and repair of all property. A review of these properties was carried out in March 2023 by the residential letting agent looking at rental rates and estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Recommendations for rental uplifts are implemented as tenancies change or at an appropriate review point as is the usual practice.

Pleasingly, rental markets in the residential sector have remained buoyant. The Foundation has benefited from increasing rental rates and few void periods which is, in part, also due to keeping properties in good repair. Over the year there were a number of tenancy changes, each giving the opportunity for a further rent review.

The Foundation has two larger commercial elements to the estate, being farmland at Treherns & Racecourse Farms, which are combined into one holding, and the land let to Stourbridge Golf Club Limited. Both of these tenancies have longer-term agreements and are managed by the Steward with advice taken from appropriate agents when required. A third property, now known as Swinford Court, was added in 2020. The School of the Foundation has requested a lease on Swinford Court to accommodate its planned growth and negotiations are progressing for this to happen.

Loan finance amounting to £2,485,000 from National Westminster Bank Plc is secured on Swinford Court. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at £3,522,500 being its cost after the settlement of retentions. All loan repayments were met during the year and the balance outstanding at 31st March was £2,066,421.

Reserves policy

Unrestricted funds amount to £3,336,696 of which £1,847,464 is freely available.

The Feoffees have determined that the appropriate level of free reserves should be at least equivalent to approximately 50% of one year's forecast expenditure from income and any amounts forecast to be transferred from free reserves to designated funds in the following year.

The level takes into account the various sources of the Foundation's income and its ongoing commitments and specifically:

- The level of reserves has due regard to expenditure related to an entity which holds property as part of its portfolio and at no time should the reserves designated for buildings repair and maintenance be reduced to an unrealistic level;
- In reviewing the reserves base due regard must be had to the expected needs and projects forecast in the School of the Foundation, the assistance which the Foundation might be able to provide to promote the future of the School and in particular the fact that Feoffees would not willingly withdraw bursary support, and
- There should be sufficient flexibility for projects as yet unplanned to be reasonably accommodated.

The Feoffees have designated reserves to ensure that their objectives can be routinely met, that they can be sustained, and that support can remain resilient where there might be short-term fluctuations. The level of designated funds is reviewed and assessed at least annually at the time of reviewing future forecasts. The Feoffees are satisfied that the designated funds are sufficient for their purpose and not excessive when compared to their future expenditure forecasts, and in particular:

- The bursary programme continues to expand as planned and the level of support per pupil has grown as projected;
- The remit of the designated reserve for supporting capital maintenance projects in the School has widened and over time this will increase the rate of uptake of funds, and
- Funds set aside for supporting excellence in education will be spent in the coming year.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

On this basis the level of free resources at 31st March 2023 should be at least £641,012. The Feoffees consider the current level of free resources comfortable and affords them the opportunity to explore and support future projects in line with their expectations set out below in their plans for the future.

The Feoffees have considered their reserve policy and level of reserves in the light of current financial markets and ongoing inflationary pressures and expectations and forecasts for the year ahead concluding that it continues to be a prudent approach, that there is sufficient in reserve to support their planned activity and sufficient in reserve to consider further applications for support.

Plans for the future

The School and its community have faced challenges and financial constraints over recent years from funding cuts and increased expectations of what is to be delivered and more recently from the effects of the pandemic, geopolitical unrest and price inflation but it remains a strong community and has the self-belief that it has the strength to regrow and restore itself and grow yet further. It is doing this and will continue to do so, in the knowledge that the Foundation is steadfast and resolute in its supporting role. It is this underlying principle that drives the Foundation's programmes to be sustainable yet adaptable and flexible. Their forecasts are built to show how the Foundation can achieve what it plans to do in the short to medium timeframe, driven by the School's direction of travel and shaped by reflections on what has happened in recent times. These plans aim to:

- Ensure the on-going sustainability of programmes of support for bursaries and welfare and continue the initiative of awarding grants for new pupil admissions in conjunction with the School's admissions process;
- Promote supported boarding places for boys and girls;
- Promote excellence in education;
- Support the development of facilities and resources to meet the needs of the growing school numbers;
- Continue to provide support for the entry of girls and day pupils to the lower school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them;
- Continue support for the review of the efficiency and effectiveness of timetabled delivery of the curriculum so as to improve educational outcomes for all pupils;
- Support school governance programmes and assist in the provision of training;
- Continue to make available the time of Feoffees' Steward beyond that included in the service level agreement, and
- Offer guidance, through the governance role and wider, in meeting challenges as the School moves forward and continues on its growth path.

Bursary support remains a priority. We had hoped to see recovery in the economy but did not expect this to be immediate or full for a while so it was always likely that there would be more families needing to apply to the bursary programme but ongoing geopolitical events and inflationary pressures make this more certain and for longer. The Feoffees consider they still have sufficient designated funds to enable them to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees and that awards considered in conjunction with, but independent of, the School's admissions process is still proving to be a good way of working and is opening the boarding option to more children.

Through their governance role in particular, Feoffees have learned a lot about the provision of education and the challenges of school leadership finding that now, the impact of post pandemic issues, which include absence and mental health concerns, can have significant impact on both the delivery and take up of education and that this is disruptive to effective learning. They can also impact on school safeguarding, where the challenges for the safeguarding team are becoming more complex and time consuming. Welfare support has been offered to the School should they find the Foundation are able to assist them in tackling these issues in whatever way the School considers appropriate.

It is also crucial to continue supporting the School during its growth phase and the impact of project support is easy to see. Last financial year grants were made towards the provision of additional science laboratories and these were ready for teaching in the new academic year. This year funds were allocated to repurposing a space in Swinford Court to create larger and better resourced teaching spaces for Art and by doing this the old art space could be repurposed for the teaching of drama. There is still more to do and our forecasts are built to show what scope there is for doing more and what resources we can deploy to do this.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2023 continued

Feoffees' responsibilities in relation to the financial statements

The Feoffees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Feoffees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, of the Foundation for that period.

In preparing the financial statements the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Feoffees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme. They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 30th June 2023 and signed on their behalf by

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital

Opinion

We have audited the financial statements of Old Swinford Hospital for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2023 and of 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 13, the Feoffees 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 Feoffees 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 Feoffees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Feoffees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Foundation operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Foundation for fraud. The laws and regulations we considered in this context were Health and Safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Feoffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees 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 Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House,
Rounds Green Road,
Oldbury,
B69 2DG

13th July 2023

OLD SWINFORD HOSPITAL**Statement of Financial Activity for the year ended 31st March 2023**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income & endowments						
Donations & legacies	3	67,716	23,677	0	91,393	56,811
Charitable activities	4	27,500	0	0	27,500	27,500
Investments & property	5	1,236,102	9,890	0	1,245,992	1,144,436
Other	6	50,500	0	0	50,500	50,500
Total income & endowments		1,381,818	33,567	0	1,415,385	1,279,247
Expenditure						
<i>Raising funds</i>						
Investment management fees	9	0	0	18,756	18,756	19,926
Property costs	10	238,434	0	0	238,434	300,385
<i>Cost of raising funds</i>		238,434	0	18,756	257,190	320,311
<i>Charitable activities</i>						
	11					
Bursaries, prizes & welfare		407,084	10,036	0	417,120	649,564
Property costs		20,000	0	43,553	63,553	50,553
School development & support		55,675	0	0	55,675	54,014
<i>Cost of charitable activities</i>		482,759	10,036	43,553	536,348	754,131
<i>Other expenditure</i>	12	17,547	0	0	17,547	18,658
Total expenditure		738,740	10,036	62,309	811,085	1,093,100
<i>Net income/(expenditure) before gains/(losses) on investments</i>						
		643,078	23,531	(62,309)	604,300	186,147
Net gains/(losses) on investments	13	0	(40,886)	(62,458)	(103,344)	415,548
Net income/(expenditure)		643,078	(17,355)	(124,767)	500,956	601,695
Transfers between funds	14	0	(733,049)	733,049	0	0
Net movement in funds		643,078	(750,404)	608,282	500,956	601,695
Reconciliation of funds						
Net movement of funds		643,078	(750,404)	608,282	500,956	601,695
Total funds brought forward		2,693,618	989,643	13,380,008	17,063,269	16,461,574
Total funds carried forward		3,336,696	239,239	13,988,290	17,564,225	17,063,269

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Balance Sheet as at 31st March 2023**

		Total funds 2023 £	Total funds 2022 £
	Note		
Fixed assets			
Tangible fixed assets	15	1,780,515	1,823,800
Investments	16	<u>16,990,336</u>	<u>16,984,555</u>
Total fixed assets		18,770,851	18,808,355
Current assets			
Stock		1,008	1,202
Debtors	17	126,369	844,815
Cash at bank and in hand	22	<u>1,451,630</u>	<u>754,663</u>
Total current assets		<u>1,579,007</u>	<u>1,600,680</u>
Liabilities			
	18		
Creditors: amounts falling due within one year		<u>(435,068)</u>	<u>(861,631)</u>
Net current assets/liabilities		<u>1,143,939</u>	<u>739,049</u>
Total assets less current liabilities		<u>19,914,790</u>	<u>19,547,404</u>
Creditors: amounts falling due more than one year		(1,820,837)	(1,997,045)
Provisions for liabilities		<u>(529,728)</u>	<u>(487,090)</u>
Net assets		<u>17,564,225</u>	<u>17,063,269</u>
The funds of the Foundation			
Endowment funds	19	13,988,290	13,380,008
Restricted funds	20	239,239	989,643
Unrestricted funds	21	<u>3,336,696</u>	<u>2,693,618</u>
Total charity funds		<u>17,564,225</u>	<u>17,063,269</u>

Approved by the Feoffees on 30th June 2023 and signed on their behalf by

M Wilcox
Chairman

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Statement of Cash Flows for the year ended 31st March 2023**

		31 st March 2023		31 st March 2022	
	Note	£	£	£	£
Cash flows from operating activities:	23				
<i>Net cash provided by/(used in) operating activities</i>			(307,397)		(955,760)
<i>Cash flows from investing activities:</i>					
Dividends, interest & rents from investments		1,245,992		1,144,436	
Proceeds from sale of investments		64,312		78,476	
Purchase of investments		<u>(173,705)</u>		<u>(273,812)</u>	
<i>Net cash provided by/(used in) investing activities</i>			1,136,599		949,100
<i>Cash flows from financing activities:</i>					
Repayments of borrowing		<u>(132,235)</u>		<u>(141,890)</u>	
<i>Net cash provided by/(used in) financing activities</i>			<u>(132,235)</u>		<u>(141,890)</u>
<i>Change in cash & cash equivalents in the reporting period</i>			696,967		(148,550)
Cash & cash equivalents at the beginning of the reporting period			<u>754,663</u>		<u>903,213</u>
Cash & cash equivalents at the end of the reporting period			<u>1,451,630</u>		<u>754,663</u>
Analysis of cash & cash equivalents					
Cash in hand	22		<u>1,451,630</u>		<u>754,663</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts and accounting policies have been applied consistently throughout this year and the preceding year unless likewise stated.

In recent times the Feoffees, like everyone else, were faced with all of the concerns, uncertainties and difficulties that come with a global pandemic, both to its own activities and those of its beneficiary as well as economic markets across the world. At a very early stage the Feoffees had considered these circumstances in the context of the Foundation concluding that the charity was sufficiently well placed to meet these challenges without casting doubt on its ability to continue as a going concern and in coming to this conclusion they had due regard to the inherent risk attached to investment performance and the expectation that in such a climate these risks might be heightened, investments values less strong and income reduced. Their view then was that they considered:

- The Foundation's portfolios to be well balanced and placed in good quality investments and as they did not foresee the need to dispose of these assets in the immediate future they did not consider any short term downward fluctuation to be a cause of undue concern, and
- Their prudent reserves policies would assist them to continue their support programmes and to make available some additional support where it was needed.

Another year on, and whilst there had been signs of recovery, markets were affected by geopolitical unrest and significant inflationary pressures and this continues to be the case. The Feoffees earlier considerations, which proved justified during the pandemic, also still continue to be the case and, together with the practice of allocating funds for projects yet to be identified so as to inform Feoffees what they might allocate if required, a strong liquidity position, the identification and assessment of income streams that may be at risk, and flexed forecasting models to test resilience, the charity remains well placed to continue its work in a meaningful way to support the School of the Foundation as it manoeuvres though the same, and its own, challenges.

The Feoffees are not aware of any other material uncertainties that cast significant doubt on the Foundation's ability to continue as a going concern.

Public benefit entity

The Foundation constitutes a public benefit entity as defined by FRS 102.

Funds

(i) The Foundation has a permanent endowment, which was derived from the will of Thomas Foley, made and published, in or about the month of January 1671, to be used in furtherance of the objects of the Foundation. Income arising on the endowment is wholly unrestricted.

(ii) Restricted funds include:

- (a) Funds that are to be used in accordance with instructions imposed by the donor, and
- (b) Sinking funds that provide for the replacement of funds used for authorised capital and other expenditure prior to 2007.

The Foundation has a number of restricted income funds created by legacies and donations that aim to further and support charitable activities by providing for bursaries, prizes and welfare.

The Foundation's sinking funds comprise recoupment orders to replace endowment funds applied in the development of the buildings of the School of the Foundation prior to 2007. By Order annual transfers are made to sinking funds, from unrestricted income, and invested. Income is accumulated. Upon satisfaction sinking funds are transferred to the endowment at the prevailing valuation. The final recoupment period came to an end in December 2022.

(iii) Unrestricted funds are those funds available for use in furtherance of the Foundation's charitable objectives and include funds designated, at the Feoffees' discretion, for specific purposes.

(iv) Transfers between Funds are at valuation unless otherwise stated.

Further details of each fund are set out in notes 19-21.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(i) Donations & legacies

Donations are recognised when the Foundation has been notified of both the value and expected date of receipt otherwise they are accounted for on a receipts basis. Incoming resources from associated tax reclaims are included at the same time as the gift to which they relate.

(ii) Investment income

Investment income derived from deposits and securities will normally be recognised on receipt of a statement or payment advice. Where it is derived from a rental agreement it will be recognised in accordance with the payments dates and values in that agreement.

(iii) Taxation

The income of the Foundation is not subject to taxation, save for that deducted at source and irrecoverable. Value added tax is chargeable on eligible taxable supplies and, for property rental, where there is an option to tax.

Expenditure recognition

Expenditure is charged on an accruals basis and liabilities are recognised where there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be requested and the amount of the obligation can be reliably measured.

(i) Grants

Grants made to the School of the Foundation are conditional only on their being used solely for the purpose for which they were intended. They are recognised as expenditure when the School has been notified of the award and its value.

Grants awarded for the bursary and welfare support of individuals connected with the School may have further conditions attached and, to the extent that this is the case, instalments or future payments may be withdrawn if these conditions are not met. Grants for bursary and welfare support are recognised as expenditure when the recipient has been notified of the award and its value. Grants for bursary support are generally given for one academic year (paid termly) however if they are made for more than one academic year the multi-year grant is recognised as expenditure when the recipient has been notified of the award, its term and its value.

Where the Foundation is notified that a condition attached to an award has not been met then any further instalments scheduled will be suspended until a decision is reached as to whether the grant will remain payable or be withdrawn. Until such time as this decision is made the grant is recognised as probably payable.

The granting of any award for bursary support is at the sole discretion of the Feoffees and there is no obligation to continue any support programme for any period beyond that agreed with the recipient however realistically this support will probably continue although the term and value may vary. The Feoffees remain mindful that they would not seek to reduce the assistance they can provide through support programmes wherever possible, as this would probably be to the detriment of the recipient's education and which would most likely be interrupted. To reduce this risk provision is made for continuing bursary support beyond any agreed and notified awards where there are reasonable grounds to assume that circumstances will require it to be continued and that the applicant is likely to qualify for further support. The value of any award is at the discretion of the Feoffees and so for the purpose of establishing the value of any such provision the current rate is used unless the Feoffees are aware of any factors which would influence the value of the award in which case these will be applied in making a judgement as to the value of the provision.

(ii) Allocation of support costs and governance

Excepting investment management fees, which are charged to endowment funds, all other costs are charged against unrestricted income. That part which might be charged against restricted funds is considered too small a proportion to reasonably calculate and apportion.

Wherever possible expenditure is allocated to the activity to which it relates. The Foundation incurs little in the way of general running and overhead costs, being administered by the Steward out of one office within the school. Support costs comprise principally staff costs, office costs and meetings costs and are allocated based on an estimate of time spent. The basis of allocation is set out in note 7.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

The costs of compliance with regulation and good practice, including statutory audit fees, trustee indemnity insurance and legal fees relating to governance, together with an apportionment of support costs are disclosed as other expenditure. They neither relate to raising funds nor are they related to expenditure on charitable activities. Other expenditure is detailed in note 12 to the accounts.

(iii) Taxation

Value added tax is recoverable to the extent it is associated with an eligible taxable supply and, for properties, where there is an option to tax. Irrecoverable value added tax is charged against the category of expenditure to which it relates.

Fixed assets

(i) Tangible fixed assets and depreciation

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation.

Expenditure on additions and major capital improvements are capitalised but contributions to school and other property repairs are charged against revenue or funds set-aside for that purpose.

Tangible fixed assets are included at cost net of grants receivable by the Foundation and, excluding freehold land, depreciated on a straight-line basis at 2% per annum.

(ii) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the following methods:

- (a) Investments on a recognised stock market are valued at quoted rates at the balance sheet date.
- (b) Investments in land and buildings are included at a valuation calculated by reference to rental income capitalised at an expected average rate of return for that type of property in continued existing use.
- (c) Investment assets designated for the time being for the Foundation's own use are carried at cost and, excluding freehold land, are depreciated on a straight-line basis at 2% per annum.
- (d) Upon completion of the recoupment period for recoupment orders making up the Foundation's sinking funds the investment in the fund is transferred to the endowment at market value at the date of completion of the order.

Any exceptions in applying the valuation methods are set out in the relevant notes to these accounts.

The Statement of Financial Activity includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if they have been purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the yearend (as described above) and their opening carrying value or their purchase value if they have been purchased during the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising 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. They are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and these are initially recognised at transaction value and are subsequently measured at their settlement value. Financial assets comprise investment in securities, debtors and cash balances and financial liabilities comprise creditors, provisions and bank loans. All of these are detailed in the notes to the accounts.

Stocks of sundry stores

Stocks of sundry stores are valued at their cost net of any deduction for impairment.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

2. Trustees' expenses and remuneration

Feoffees give of their time freely and willingly to both the Foundation and the School and no remuneration or expenses were paid in the year, neither did any Feoffee, or person connected with a Feoffee, receive any benefit from the Foundation.

3. Donations

	Unrestricted funds		Restricted funds	
	2023	2022	2023	2022
	£		£	
Prize fund and bursary donations	1,500	1,500	17,575	22,626
Legacy	0	0	6,102	10,000
General donations	66,216	22,685	0	0
	67,716	24,185	23,677	32,626

4. Income from charitable activities

	2023	2022
	£	£
Provision of clerking and other administrative assistance to the School of the Foundation and its Governing Body	27,500	27,500

5. Investment & property income

	Unrestricted funds		Restricted funds	
	2023	2022	2023	2022
	£		£	
Marketable securities – listed in the UK	106,318	97,717	9,890	7,425
Marketable securities – listed outside the UK	4,782	3,623	0	0
	111,100	101,340	9,890	7,425
Property	1,120,617	1,035,626	0	0
Bank & other interest	4,385	45	0	0
	1,236,102	1,137,011	9,890	7,425

6. Other income

	2023	2022
	£	£
Wayleaves	500	500
Facilities fee	50,000	50,000
	50,500	50,500

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

7. Allocation of support costs

	Cost of raising funds	Charitable activities	Governance	Total allocated
	£	£	£	£
Staff costs	21,536	7,178	7,178	35,892
Office services, meetings costs and general consumables	3,617	1,206	1,206	6,029
Year to 31 st March 2023	<u>25,153</u>	<u>8,384</u>	<u>8,384</u>	<u>41,921</u>
Staff costs	19,294	6,431	6,431	32,156
Office services, meetings costs and general consumables	3,210	1,071	1,071	5,352
Year to 31 st March 2022	<u>22,504</u>	<u>7,502</u>	<u>7,502</u>	<u>37,508</u>

Support costs have been apportioned between the cost of raising funds, charitable activity (excluding the provision of clerking and other administrative assistance) and governance based on an estimate of staff time being 60%, 20% and 20% respectively (2022: 60%, 20% and 20%). The provision of clerking and other administrative assistance absorbs a significant number of the available hours and the staff cost of providing this is allocated to that activity. No additional support costs have been added.

8. Staff costs and remuneration of key personnel

In accordance with the provisions of the Scheme, the Feoffees continue to employ one person as Steward; a role they consider a key management position. On behalf of the Foundation the Steward also provides clerking and other administrative assistance to the School of the Foundation and its Governing Body.

No remuneration, expenses or benefits were paid to the Feoffees during the year (2022: £nil).

Staff costs amounted to £91,568 (2022: £86,170) and included social security costs of £4,860 (2022: £4,807) and pension contributions of £9,598 (2022: £8,700). The Steward's emoluments fall into the bracket £70,000-£80,000 (2022: £70,000-£80,000).

9. Investment management fees

	2023	2022
	£	£
Investment management fees	<u>18,756</u>	<u>19,926</u>

Investment management fees are those fees charged by fund managers for the management and administration of the Foundation's portfolio of marketable securities. The entire fee is charged to endowment funds although a very small proportion is in respect of marketable securities held in restricted income funds. That part which might be charged against restricted funds is not significant, amounting to approximately 1% of the fee.

10. Property costs

	2023	2022
	£	£
Property maintenance	60,243	176,836
Other property costs	1,423	2,283
Insurance	3,974	3,945
Loan interest	91,497	55,749
Letting & other professional fees	56,144	39,068
Support costs	<u>25,153</u>	<u>22,504</u>
	<u>238,434</u>	<u>300,385</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

11. Charitable activities

	2023	2022
	£	£
Bursaries, prizes & welfare from unrestricted funds		
Provision of bursaries & prizes:		
Bursaries	273,713	388,385
Prizes	2,307	0
Provision of welfare requests:		
Welfare	13,307	13,599
School Fund	25	1,927
Supporting excellence in education	104,660	226,512
Hospitality & functions	188	106
Other donations:		
Donation to St Mary's Church	4,500	4,500
	<u>398,700</u>	<u>635,029</u>
Bursaries, prizes & other support from restricted funds		
Bursaries, prizes & welfare support	9,040	6,299
Donation to Old Foleyans Association	996	734
	<u>10,036</u>	<u>7,033</u>
Total expenditure on bursaries, prizes & welfare	<u>408,736</u>	<u>642,062</u>
	2023	2022
	£	£
Property costs		
School maintenance projects from unrestricted funds	20,000	7,000
Depreciation from endowment funds	43,553	43,553
Total expenditure on property	<u>63,553</u>	<u>50,553</u>
School development & support		
Provision of clerking and other administrative assistance	55,675	54,014
Total expenditure on school development & support	<u>55,675</u>	<u>54,014</u>
Summary of expenditure on charitable activities:		
Bursaries, prizes & welfare	408,736	642,062
Property costs	63,553	50,553
School development & support	55,675	54,014
Support Costs	8,384	7,502
	<u>536,348</u>	<u>754,131</u>

The Foundation awarded grants to a number of individuals, to the School of the Foundation and organisations directly and closely associated with the School of the Foundation. Individuals receiving grants are all members, or former members, of the School community.

Bursary awards were made to 50 individuals (2022: 44) to assist with the payment of boarding fees for pupils at the School of the Foundation. A further grant of £2,034 was made to assist with the payment of fees for individual music tuition. Bursaries and prizes from restricted funds are principally academic, achievement or welfare awards made to individuals attending or associated with the School of the Foundation.

Welfare requests are grants to the School of the Foundation.

A donation is made to St Mary's Church, Old Swinford, for the use of the church for services throughout the year by the School of the Foundation and in lieu of collection from the pupils of the School.

Depreciation is charged on tangible fixed assets and investment assets designated for the Foundation's own use, excluding freehold land.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

Support costs have been allocated in accordance with note 7 as follows:

	Charitable activity	Support costs	Total
	£	£	£
Bursaries, prizes and welfare	408,736	8,384	417,120
Property costs	63,553	0	63,553
School development & support	55,675	0	55,675
Year to 31 st March 2023	<u>527,964</u>	<u>8,384</u>	<u>536,348</u>
Bursaries, prizes and welfare	642,062	7,502	649,564
Property costs	50,553	0	50,553
School development & support	54,014	0	54,014
Year to 31 st March 2022	<u>746,629</u>	<u>7,502</u>	<u>754,131</u>

12. Other expenditure

	2023	2022
	£	£
Support costs	8,384	7,502
Audit fees	7,940	7,150
Legal fees	(1,000)	1,988
Indemnity insurance	2,223	2,018
	<u>17,547</u>	<u>18,658</u>

The auditors' remuneration was solely in respect of audit fees paid and payable to Crowe U.K. LLP.

13. Net gains/(losses) on investments

	Restricted funds	Endowment funds	Total 2023	Total 2022
	£	£	£	£
Gains/(losses) on:				
Disposal of marketable securities	(2,713)	619	(2,094)	0
Lease extension granted	0	12,316	12,316	(23,456)
	<u>(2,713)</u>	<u>12,935</u>	<u>10,222</u>	<u>(23,456)</u>
Unrealised gains/(losses) on:				
Estate property	0	3,206	3,206	1,509
Housing property	0	127,438	127,438	71,057
Marketable securities	(38,173)	(206,037)	(244,210)	366,438
	<u>(38,173)</u>	<u>(75,393)</u>	<u>(113,566)</u>	<u>439,004</u>
Total gains/(losses)	<u>(40,886)</u>	<u>(62,458)</u>	<u>(103,344)</u>	<u>415,548</u>

Investment assets valued at £733,049 were transferred on maturity of the remain sinking fund to the endowment realising £552,812 of gains in Restricted Funds.

14. Transfer between funds

£733,049 was transferred from Restricted Funds to Permanent Endowment on maturity of the remaining sinking fund.

Within unrestricted income funds amounts were transferred to designated funds for purposes as follows:

- £180,000 (2022: £275,000) for estate and housing costs and maintenance;
- £15,000 (2022: £15,000) for contributions to school maintenance;
- £66,191 (2022: £22,660) to support excellence in education, and
- £351,500 (2022: £401,500) for bursary and scholarship awards.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

15. Tangible fixed assets

	Freehold		Total	Total
	Land	Buildings	2023	2022
	£	£	£	£
Cost or valuation:				
At 1 st April and 31 st March	387,119	2,164,243	2,551,362	2,551,362
Depreciation:				
At 1 st April	0	727,562	727,562	684,277
Charged in the year	0	43,285	43,285	43,285
At 31 st March	0	770,847	770,847	727,562
Net book value at 31st March	387,119	1,393,396	1,780,515	1,823,800

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation. They are included in the financial statements at a valuation of 1st January 1950 plus the cost of additions since that date, net of grants receivable by the Foundation. Depreciation is charged against buildings at 2% per annum on a straight-line basis.

16. Investments

	Freehold estate £	Freehold housing £	Leasehold housing £	Marketable securities £	COIF Units £	Total 2023 £	Total 2022 £
Cost or valuation:							
At 1 st April	5,736,840	2,995,669	1,705,335	3,875,942	2,676,401	16,990,187	16,379,303
Additions at cost	0	0	118,950	54,756	0	173,706	273,812
Disposals at opening book value	0	(18,485)	0	(35,607)	0	(54,092)	(101,932)
Net revaluation gains/(losses) in year	3,206	65,000	62,438	(195,070)	(49,139)	(113,565)	439,004
At 31 st March	5,740,046	3,042,184	1,886,723	3,700,021	2,627,262	16,996,236	16,990,187
Cost or prior valuation at 31 st March	3,895,233	1,147,927	1,590,280	2,080,259	1,832,594	10,546,293	9,869,697
Depreciation:							
At 1 st April	0	(5,632)	0			(5,632)	(5,364)
Charged in the year	0	(268)	0			(268)	(268)
At 31 st March	0	(5,900)	0			(5,900)	(5,632)
Net book value at 31st March	5,740,046	3,036,284	1,886,723	3,700,021	2,627,262	16,990,336	16,984,555
Analysis of value by fund:							
Unrestricted funds	0	0	0	2,485,688	0	2,485,688	1,751,371
Restricted funds	0	0	0	225,931	0	225,931	978,272
Endowment funds	5,740,046	3,036,284	1,886,723	988,402	2,627,262	14,278,717	14,254,912
	5,740,046	3,036,284	1,886,723	3,700,021	2,627,262	16,990,336	16,984,555

All investments are carried at their fair value, which has been determined for each class of asset as set out next.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

Property

As a general rule the fair value of investment property has been calculated with reference to rental income generated on each property capitalised at an expected average rate of return for that type of property in continued existing use. The Feoffees consider the basis adopted to be reasonable, fair and realistic and to reflect the use of the asset.

Where this basis is used the resultant values are compared to market values or approximations, in so far available, and values reduced to the extent that they may be higher than market value.

A review of residential rental values was carried out in March 2023 by Mr J R Harris MNAEA, of Ian Perks Estate Agents. The review also reported on estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. One property (2022: three) has a calculated value in excess of its recommended market value and has accordingly been reduced to fall in line.

Where capitalising rental would give an unrealistic valuation or where there is no rental to base a valuation upon for example, the fair value of each property is separately assessed in the context of its use or intended use. This has been applied as follows:

- On small sites which return rental for telephone masts, the land is included at cost if known or a reasonably nominal value otherwise.
- The freehold underlying the Foundation's leasehold properties plus five owned by others and the surrounding amenity space, which was acquired in two parts over 2013-2015, stands at cost. The purchase of the freehold was advised by Mr A Herbert FRICS MARLA IRRV(Hons) of Pennycuik Collins, Chartered Surveyors. Ground rental is insignificant and an unsuitable valuation base for this holding. The owned leaseholds and their associated freehold remain separate and have been valued as such.
- Freehold land made available to the School for sports fields has been included at a valuation of £190,000 based on the site, undeveloped, but with the benefit of planning consent and vacant possession. Full development costs have not been capitalised. The Feoffees consider the valuation, prepared in February 2010 by Sellers, Chartered Surveyors, to be reasonable for valuation purposes and in its present use.
- Treherns Farmhouse has been made temporarily available to the School for use as a first aid post and changing room in connection with the sports fields adjacent to it. Until November 2015 the property was rented out as a residential property. Its value based on the principle of capitalised rental was £130,000. This compares to an estimated market value of £607,000. As the property is not currently available for sale or alternative use the Feoffees have elected to retain the value previously adopted until such time as the future use of the farmhouse is determined.
- Hanbury Hill House is made available for the School for teaching purposes and no rent is charged. It is included at cost less depreciation charged at 2% per annum on a straight-line basis.
- The more recently acquired Swinford Court is included at cost.

Securities

The Foundation's nominated investment advisors, Evelyn Partners, establish the fair value of marketable securities using readily available market prices. The composition of the portfolio is as advised by them and the Feoffees accept this advice, considering the result to be a well balanced portfolio, allowing both capital growth and income at acceptable and appropriate levels.

Restricted income funds also include investments in M&G Charifund income units. The fair value of these is established by reference to the quoted rates published by M&G Investments.

The fair value of investment in COIF Charities Investment Fund accumulation units is established by reference to rates published by CCLA as is the value of investment in COIF Property Fund units.

At 31st March 2023 marketable securities includes £122,236 (2022: £196,912) of investment assets outside of the UK.

The Feoffees consider that generally, individual holdings with a valuation in excess of 5% of the total portfolio value are material. They also consider the land comprising Treherns & Racecourse Farms and the Stourbridge Golf course to be significant although their valuation is less than 5% of the total portfolio.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

As at 31st March the following material investments were held:

	2023	2022
	£	£
Holdings valued above 5%:		
Swinford Court	3,522,500	3,522,500
COIF Charities Investment Fund accumulation units	2,485,072	2,507,399
Other significant holdings:	<u>6,007,572</u>	<u>6,029,899</u>
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<u>7,164,408</u>	<u>7,186,735</u>

17. Debtors

	2023	2022
	£	£
Taxation recoverable	0	10,575
Rental income and licence fees due	1,778	276
Provision for doubtful debts	(1,633)	0
Debtors, prepayments and accrued income	126,224	833,964
	<u>126,369</u>	<u>844,815</u>

18. Liabilities

	2023	2022
	£	£
Creditors: amounts falling due within one year:		
Rentals received in advance and deposits held	55,815	31,472
Bursaries, prizes and welfare	79,444	76,582
Expansion capital contributions	0	498,058
Taxation due	16,345	21,840
Creditors and accrued fees	37,880	32,068
Bank loan	245,584	201,611
	<u>435,068</u>	<u>861,631</u>
Creditors: amounts falling due more than one year:		
Bank loan	1,820,837	1,997,045
	<u>1,820,837</u>	<u>1,997,045</u>
Provisions for liabilities		
Provisions for bursary support brought forward	487,090	313,823
Allocated to bursary awards	(168,889)	(113,939)
Additional provision	211,527	287,206
Provision for bursary support carried forward	<u>529,728</u>	<u>487,090</u>
Provisions for awards expected within one year	206,361	168,889
Provisions for awards expected in more than one year	323,367	318,201
	<u>529,728</u>	<u>487,090</u>

The movement in provisions for bursary support is the net increase/(decrease) in provision after a reassessment of expected future costs to maintain current bursary awards.

On 31st March 2020 the Feoffees entered into a term loan with National Westminster Bank Plc for the sum of £2,485,000 to facilitate the acquisition of the former Stourbridge College site (now known as Swinford Court) and on which the loan is secured. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at its cost of £3,522,500.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

19. Endowment funds

	Balance 1st April	Income	Movement in funds		Balance 31st March
	£	£	Expenditure	Gains, losses & transfers	£
			£	£	
Permanent endowment fund					
Year to 31 st March 2023	13,380,008	0	(62,309)	670,591	13,988,290
Year to 31 st March 2022	13,119,664	0	(63,479)	323,823	13,380,008

Permanent endowment funds are those funds derived from the will of Thomas Foley, the income from which is used in furtherance of the objects of the Foundation.

20. Restricted funds

	Balance 1st April	Income	Movement in funds		Balance 31st March
	£	£	Expenditure	Gains, losses & transfers	£
			£	£	
Sinking funds	761,564	0	0	(761,564)	0
D T Plant fund	32,228	32	0	(1,991)	30,269
Williams-Thomas bursary fund	16,987	836	(750)	(967)	16,106
Don Williams prize fund	16,218	762	0	(881)	16,099
Kieran Duffy memorial fund	38,661	1,897	(1,500)	(2,194)	36,864
Parents' Association fund	3,373	41	(3,290)	(124)	0
Krukowski maths fund	11,448	573	(250)	(662)	11,109
William Cooper bursary fund	8,061	383	(250)	(443)	7,751
Parents' bursary fund	64,811	20,882	(2,000)	(3,459)	80,234
Owen Evans fund	10,450	519	(500)	(600)	9,869
Dyson fund	15,457	817	(817)	(944)	14,513
Sheila Tuft Fund	10,385	545	(500)	(630)	9,800
Brian Norgrove Fund	0	6,280	(179)	524	6,625
Year to 31 st March 2023	989,643	33,567	(10,036)	(773,935)	239,239
Prior Year balances					
Sinking funds	682,225	0	0	79,339	761,564
D T Plant fund	31,090	0	0	1,138	32,228
Williams-Thomas bursary fund	15,910	752	(750)	1,075	16,987
Don Williams prize fund	15,350	685	(797)	980	16,218
Kieran Duffy memorial fund	36,020	1,704	(1,500)	2,437	38,661
Parents' Association fund	3,050	133	0	190	3,373
Krukowski maths fund	10,448	514	(250)	736	11,448
William Cooper bursary fund	7,474	344	(250)	493	8,061
Parents' bursary fund	38,857	24,637	(2,000)	3,317	64,811
Owen Evans fund	10,069	466	(752)	667	10,450
Dyson fund	14,407	734	(734)	1,050	15,457
Sheila Tuft fund	0	10,082	0	303	10,385
Year to 31 st March 2022	864,900	40,051	(7,033)	91,725	989,643

Sinking funds provided for the replacement of funds used for authorised capital and other expenditure and dated prior to 2007. The remaining recoupment order dated before 2007, on which the annual transfers had been paid up to the end of the term, matured in December 2022. On maturity the funds were transferred to the endowment at their prevailing valuation of £733,049.

The D T Plant fund, created by legacy, provides income payable to the Old Foleys Association.

The Williams-Thomas bursary fund, created by legacy, pays income to support pupils at the School.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

The Don Williams prize fund, created by legacy, pays income towards providing prizes for academic achievement.

The Kieran Duffy memorial fund, created by donations in memory of a former pupil killed in a flying accident during the Gulf War, provides income to support pupils at the School.

The Parents' Association fund allows for both income and capital to be applied in support of the activities of the Parents' Association. This was fully applied in the year.

The Krukowski maths fund, created by donation, pays income for a grant to be given to a pupil going on to study mathematics at university and nominated by the Headmaster.

The William Cooper bursary fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees to support pupils at the School.

The Parents' bursary fund, created by donations from parents, allows for both income and capital to be used at the discretion of the Feoffees to assist any needy pupil at the School.

The Owen Evans fund, created by donation, pays income to support pupils at the School.

The Dyson fund, created by legacy, is for the benefit of the Old Foleyans Association.

The Sheila Tuft fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees for general charitable purposes in memory of Mrs Christine Forshaw (nee Edge).

The Brian Norgrove fund, created by legacy, is for the benefit of the Old Foleyans Association.

21. Unrestricted funds

	Balance 1st April	Movement in funds			Balance 31st March
	£	Income £	Expenditure £	Transfers £	£
Income funds	1,418,091	1,381,818	(339,754)	(612,691)	1,847,464
Designated funds:					
Bursary & Welfare fund	197,674	0	(273,713)	351,500	275,461
School property maintenance fund	61,717	0	0	15,000	76,717
Investment property maintenance fund	751,269	0	(80,243)	180,000	851,026
Land development fund	242,207	0	(22,370)	0	219,837
Excellence in Education	22,660	0	(22,660)	66,191	66,191
Year to 31 st March 2023	<u>2,693,618</u>	<u>1,381,818</u>	<u>(738,740)</u>	<u>0</u>	<u>3,336,696</u>
Prior Year balances					
Income funds	1,319,132	1,239,196	(426,077)	(714,160)	1,418,091
Designated funds:					
Bursary & Welfare fund	184,559	0	(388,385)	401,500	197,674
School property maintenance fund	53,717	0	(7,000)	15,000	61,717
Investment property maintenance fund	660,533	0	(184,264)	275,000	751,269
Land development fund	248,557	0	(6,350)	0	242,207
Excellence in Education	10,512	0	(10,512)	22,660	22,660
Year to 31 st March 2022	<u>2,477,010</u>	<u>1,239,196</u>	<u>(1,022,588)</u>	<u>0</u>	<u>2,693,618</u>

Unrestricted funds include funds set aside by the Feoffees out of unrestricted income funds for the purpose of:

Providing for bursary and welfare support

The Feoffees consider that a working capital base should be provided to support applications for bursary and welfare grants, which are made on an 'as needs' basis.

Providing for contributions to capital expenditure and repair of school property

A working capital base is maintained so that the Foundation can assist the Governing Body by providing grants from time to time to assist with capital projects and repairs.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

Attending to maintenance on estate and housing properties held as investments

The Feoffees consider that at all times sufficient funds should be set aside for property repairs consistent with a portfolio that includes a substantial property holding. Funds are set aside for specific properties and in general, the general element not to be less than £100,000.

Future land development

Funds have been set aside so that the Foundation can call upon resources to protect or develop its estate.

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted		Endowment	Total
		Sinking funds	Other funds		
	£	£	£	£	£
Fund balances are represented by:					
Tangible fixed assets	0	0	0	1,780,515	1,780,515
Investments	2,485,688	0	225,931	14,278,717	16,990,336
Net current assets/ (liabilities)	1,380,736	0	13,308	(250,105)	1,143,939
Liabilities more than one year	0	0	0	(1,820,837)	(1,820,837)
Provisions for liabilities	(529,728)	0	0	0	(529,728)
Net assets at 31 st March 2023	3,336,696	0	239,239	13,988,290	17,564,225

Unrealised gains/(losses) included above, and all in respect of investments:

0	0	20,222	6,429,721	6,449,943
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Cash balances included in current assets above:

1,438,322	0	13,308	0	1,451,630
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	0	1,823,800	1,823,800
Investments	1,751,371	761,564	216,708	14,254,912	16,984,555
Net current assets/ (liabilities)	1,429,337	0	11,371	(701,659)	739,049
Liabilities more than one year	0	0	0	(1,997,045)	(1,997,045)
Provisions for liabilities	(487,090)	0	0	0	(487,090)
Net assets at 31 st March 2023	2,693,618	761,564	228,079	13,380,008	17,063,269

Unrealised gains/(losses) included above, and all in respect of investments:

0	581,328	35,311	6,503,851	7,120,490
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Cash balances included in current assets above:

739,811	0	12,104	2,748	754,663
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		2023	2022
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	373,824	129,214
	Deposit accounts	996,813	542,455
National Westminster Bank Plc	Current account	72,138	72,171
	Deposit accounts	32	3,418
Evelyn Partners	Income account	8782	7,350
		41	55
Cash		1,451,630	754,663

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2023 continued

23. Reconciliation of net movement in funds to net cash flow from operating activities and analysis of change in net debt

	2023	2022
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	500,956	601,695
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	103,344	(415,548)
Dividends, interest and rents from investments	(1,245,992)	(1,144,436)
Decrease in stocks	194	122
Decrease in debtors	718,446	(196,504)
Decrease in creditors	(427,898)	155,358
<i>Net cash provided by (used in) operating activities</i>	<u>(307,397)</u>	<u>(955,760)</u>

Analysis of changes in net debt in the year to 31st March 2023

	1st April	Cash flows	Other non-	31st March
	£	£	cash changes	£
Cash	754,663	696,967	0	£1,451,630
Loans:				
Falling due within one year	(201,611)	132,235	(176,208)	(245,584)
Falling due after more than one year	(1,997,045)	0	176,208	(1,820,837)
Year to 31 st March 2023	<u>(1,443,993)</u>	<u>829,202</u>	<u>0</u>	<u>(614,791)</u>

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £395,000 (2022: £nil) and capital expenditure contracted for but not provided amounted to £nil (2022: £nil). Major expenditure contracted for, but not yet provided amounted to £nil (2022: £nil).

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Accounts

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS

for the year ended 31st March 2022

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022

The Feoffees present their report along with the audited financial statements for Old Swinford Hospital, of Hagley Road, Stourbridge, West Midlands, Registered Charity Number 527116, otherwise called Thomas Foley's Charity, for the year ended 31st March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Emerging from COVID-19

For the last two years we have reported and reflected on the exceptional circumstances we found ourselves in caused by the coronavirus pandemic with the statutory closure of the School and national lockdown and we set out our response to this and our plans going forward. As we emerge from this unprecedented time we can look back at the challenges we continued to face and how we adapted, managed and fared. We can also share our thoughts on ongoing recovery, the needs of our beneficiaries and our plans for going forward and we do this in each of the relevant sections below.

Structure, governance and management

Scheme and constitution

Old Swinford Hospital is governed by the terms of a Charity Commissioners Scheme dated 16th June 1954 ('the Scheme') as amended by:

- Schemes of 2nd July 1986, 26th October 1987, 10th January 1989, 17th December 1997, 25th November 2004, and 15th July 2021;
- Modification Order of 5th January 2004, and
- Resolutions of 30th September 1999, 13th June 2000, 1st December 2005, 24th September 2009, and 23rd October 2015.

In accordance with the Scheme, 'the Foundation' means Old Swinford Hospital, at Stourbridge, founded by the will of Thomas Foley, made and published in or about the month of January 1671. Neither the Foundation nor the Trustees ('Feoffees') of the Foundation are incorporated.

Feoffees

The trustee body is a clearly identifiable 'simple' structure set up in accordance with the governing document and known as the Feoffees. The governing document provides for three Hereditary Feoffees, being or representing the respective male heirs of the three sons of the Founder, and up to twelve Co-optative Feoffees to be appointed by resolution of the Feoffees subject to there always being sufficient in number to provide the required number of Feoffees to sit on the Governing Body of the School of the Foundation. Co-optative Feoffees, a majority of whom shall be members of the Church of England, are elected for a five-year term, unless they held office at the inception of the Scheme, when they are elected for life. Retiring Feoffees, if eligible, may be re-elected. There are no longer any Feoffees eligible to be elected for life.

Within this remit the strategy for appointment looks to the profile of the body so that it can function to best advantage, due regard being had to skills, time and general ability to attend meetings and events, whether a potential Feoffee is willing, and able, also to be appointed to the Governing Body, the skills requirement of the Governing Body and any other interests which may be either conducive to, or conflict with, the workings of the Foundation.

Induction and training is provided so that:

- Prior to any appointment a potential Feoffee is made aware of the Foundation's purpose and aims, the scope of its remit, its financial position, current issues and the level of personal commitment required;
- Following appointment new Feoffees will be guided by the existing members, and
- Continued training and updates are given through the circulation of papers on relevant current issues and the opportunity to attend Governor and Feoffee training from time to time.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

At 31st March nine Feoffees were in office, two being Hereditary Feoffees and seven Co-optative and their names are listed overleaf in the Reference & Administration section of this report, however, since the year end Mr M J Billingham has tendered his resignation after twelve years of dedicated service as a Feoffee and as a Governor of the School of the Foundation. The Feoffees are extremely grateful to him for the time he so willingly gave and the valuable contributions he made especially in key roles for the School where he was both Vice Chairman of the Governing Body and Boarding Governor as well as a member of a good number of its committees. The Feoffees wish him well for the future.

During the year:

- At their meeting on 25th June 2021 the Feoffees:
Re-elected Messrs Edwards and Mason as Co-optative Feoffees for a further five-year term;
Elected Mr Wilcox as Chairman of the Feoffees' meetings for the year and Mr Edwards as elected Vice Chairman, and
Appointed Mr D J Taylor as a Co-optative Feoffee.
- It was with great sadness however, that the Feoffees recorded the death of their Vice Chairman and friend, Mr Brian Edwards, on 13th August. Mr Edwards had served as a Feoffee for twenty years, a man with clear foresight and executive energy making invaluable contributions to both the Foundation and the School, quietly and solidly supporting them both over many years, and he would be sadly missed.
- At their meeting on 3rd December 2021 the Feoffees elected Mr R T Foley as Vice Chairman.

Shortly after the year end Dr R B Guthrie and Mr R J Walker were invited to become Feoffees. They will be formally appointed at the Feoffees' meeting on 24th June, the date of the signing of this report and these accounts.

The School of the Foundation and its Governing Body

With the admission of girls as boarders and into the lower school from September 2021, the School of the Foundation, also known as Old Swinford Hospital, became a voluntary aided boarding and day school and this was reflected in the Foundation's constitution by a Charity Commission Scheme dated 15th July 2021.

The Foundation is not responsible for the running of the School but provides or nominates seven persons to sit as Foundation Governors on the Governing Body. Feoffees sitting on the Governing Body during the year were:

M J Billingham (resigned 8th April 2022)
P T Foley FCII, MCI Arb, MEWI
R T Foley
P W Mason FCA
M Wilcox FRICS

Dr R B Guthrie sits on the Governing Body as a Foundation Nominated Governor.

With the resignation of Mr Billingham there are two vacancies for Foundation Governors. Regulation requires that in nominating Foundation Governors the Feoffees must have regard to the experience and skills required by the Governing Body to provide effective governance. The Feoffees are consulting with the Governing Body as to their skills needs.

In addition, and separately from voluntary aided regulations, Feoffees may be appointed by the Governing Body to sit as Associate Members. None sat as Associate Members at any time during the year.

Organisation

The Foundation is administered by the Feoffees who meet termly or more often if they find they need to do so however:

- Messrs Hornby, Taylor and Yeates have delegated authority in respect of bursary awards and other grants to individuals within the annual awards budget agreed by the Feoffees, and
- A Steward is employed to manage the day-to-day business of the trust.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Key management personnel remuneration

All of the Feoffees have an equal part to play in the business of the Foundation. Some tasks however are delegated to one or more of their number and in this respect they consider the Chairman of the Feoffees and the Steward as key management personnel of the Foundation, in charge of directing and running the day-to-day operations of the charity. They also consider those Feoffees sitting as Foundation Governors, along with the Steward who acts as Clerk to the Governing Body, to be key management personnel in providing substantial practical benefit to the School of the Foundation.

All Feoffees give of their time freely to both the Foundation and the School and none receive any remuneration, expenses or benefit.

The pay of the Steward is reviewed annually and normally increases in line with inflation. In assessing the appropriate salary for this role the Feoffees have regard to the diverse nature of the role and the need for a wide range of both skills and knowledge. They take into account the qualifications, skills and experience of the Steward and what she might get paid in other organisations and in particular the pay scales for senior management in the School of the Foundation.

Working through the pandemic

Schools were a Government priority for re-opening, albeit sometimes only in part and sporadically, but schools opened and they faced yet more challenges in doing this with the uncertainties staff and children felt about being with others, the effects of having spent time in isolation and away from normal routines and the amount of learning they needed to recover. The Feoffees and their Steward were supportive of the School's community but agreed with school leaders that keeping safe and sometimes still doing so at a distance was good common sense for everyone. The Foundation, like the School and many other organisations, had already adopted a flexible approach to working and delivering our charitable support, employing a mix of online as well as face to face practices and we continued to do this. It was only in March 2022 that Feoffees again met face to face for our Termly meeting in the School, almost twenty-eight months since we had last done so. Needless to say, we were delighted that things had moved on and improved sufficiently to do this.

What we learned during this time about working, meeting and training virtually has changed the way we do things. We quickly found that it enabled us to communicate regularly and effectively, to participate where we may not have been able to travel, to facilitate timely discourse, to efficiently access training and market briefings and so keep abreast of best practices, market overviews and sector developments allowing us to continually reassess our place in all of this and the associated risks. Importantly, all of this continues to enable us to be responsive at short notice leading to timely and effective discussion and decision-making.

Risk management

The Feoffees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage those risks and mitigate exposure as far as possible. Their response to the pandemic, what we have learned from this time and moving forwards as we emerge from it, is included throughout this report however related to this, and to the assessment of overall risk, special consideration has been given to:

- Reviewing and monitoring income streams to identify sensitivities and likely concerns;
- Diversity and spread in investment portfolios to lessen overall volatility;
- Active asset management to maintain the quality of rental properties and to keep voids to a minimum;
- Keeping abreast of best practices, market overviews and sector developments allowing us to continually reassess our place in all of this;
- Maintaining reserves levels and the designation of funds for specific purposes;
- Building flexed budgets based on robust assumptions and focussed on planned charitable activity but with the capacity to take on further charitable projects, and
- Forecasting and liquidity to ensure income streams can service the debt.

The Feoffees are satisfied that they continue to manage these risks appropriately.

Governance Code

The Foundation's position in relation to this non-statutory Code has been monitored since the first edition and, in the context of the charity's simple structure and remit, the 2020 update was formally adopted in March 2021. The Feoffees will look to work within it as far as it is appropriate, reasonable and practicable to do so.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Reference & Administrative Details

- Feoffees:**
- Hereditary Feoffees:**
P T Foley FCII, MCI Arb, MEWI, 1989
R T Foley, 1991
- Co-optative Feoffees:**
D H Higgs, 1980
M Wilcox FRICS, 1997 (Chairman)
A J Yeates B Pharm, 1998
B R Edwards MBE, BSc, C Eng, 2001 (Vice Chairman) (died 13th August 2021)
P W Mason FCA, 2007
M J Billingham, 2009 (resigned 8th April 2022)
J M Hornby MA, FCA, 2020
D J Taylor MI, FIH, 2021 (appointed 25th June 2021)
- Steward:** Mrs B Hirons BA(Hons), BFP, FCA
- Headmaster:** P T Kilbride MA (Oxon), NPQH, FRSA
- Advisors:**
- Auditors**
Crowe U.K. LLP
Black Country House, Rounds Green Road, Oldbury, B69 2DG
- Bankers**
HSBC Bank plc
114 High Street, Stourbridge, DY8 1DZ
- Solicitor**
Burgess Salmon LLP
One Glass Wharf, Bristol, BS2 0ZX
- Investment Advisors**
Smith & Williamson Investment Management LLP
25 Moorgate, London, EC2R 6AY
- Residential Letting Agent**
Ian Perks Letting Agent
20-22 Hagley Road, Stourbridge, DY8 1QQ

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Objectives and activities for the public benefit

Charitable objects

The Foundation and its endowments are administered in accordance with the provisions of the Scheme to the benefit of the School of the Foundation. Over 350 years ago when Thomas Foley set up and endowed the School of the Foundation his aim was to provide education and entry into a trade for poor but deserving local boys. He was forward thinking enough to see that these philanthropic ideals could benefit the lives of those individuals who came to his school and his principles are as current and relevant today as they were then. The Feoffees uphold the Founder's values but like Thomas Foley each generation of Feoffees, whilst maintaining a wealth of traditional values, has been forward thinking enough not to be afraid to move with the times. Today the School operates in a modern context as a voluntary aided boarding and day school within the State education system managed by a Governing Body under the Local Authority, Dudley Metropolitan Borough Council. The Foundation manages the endowment to the benefit of the School.

In setting objectives and planning activities the Feoffees have given careful consideration to the Charity Commission's guidance on public benefit and are confident that their aims, their activities and their future plans continue to be wholly consistent with the guidance given. They further consider that the admission of girls to boarding and to the lower school from September 2021 gave them the opportunity to broaden the sections of the public who have access to the benefits of the charity and we were pleased when the Charity Commission issued a scheme to enable this.

As a Foundation the Feoffees look to support the School's Governors in meeting the aims they have set for the School and which overridingly look 'to provide an outstanding education, both within and beyond the classroom, which enables pupils to realise and exceed their potential' and above all 'to provide a uniquely stimulating and supportive environment in which all individuals flourish, grow in understanding, self-confidence and self-esteem and are fully equipped to meet the challenges and demands of life beyond school.' To that end the Feoffees look specifically to promote:

- Educational standards and excellence;
- The benefits that can come from a boarding education;
- Rewarding success in all fields, and
- A wide and far reaching programme of extra-curricular activities that add to the overall educational experience.

The Feoffees have put together a package of support measures that aim to ensure their objectives can be met with successful outcomes resulting in all pupils having the opportunity to benefit from their time at the School. These programmes of support are wide ranging, focussing upon individuals, groups and the whole school community. The provision of bursaries, grants to promote excellence in standards of education and welfare awards to enhance the development of the School and its environment are fundamental objects of the trust that seeks to:

- Provide boarding awards for pupils where there is a financial need;
- Encourage excellence;
- Provide some small assistance to those pupils and former pupils of the School who seek to achieve excellence in a goal beyond school and basic further education and who are, in the view of the nominated Feoffees, regarded as exceptional, and
- Work with the Headmaster and the Governing Body to provide such benefits as may be considered desirable for the School and which otherwise would not normally be provided from annual maintenance grants paid under the Education Acts.

The Foundation provides a direct public benefit by making available to the Governing Body the site and buildings comprising Old Swinford Hospital for educational use.

The Feoffees devote a great deal of their time to the School and by acting as school governors. By sitting on working parties and by advising when asked they further enhance their charitable support. In addition, they make available the time of their Steward to provide clerking and other advice and assistance to the School and the Governing Body.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Grant making policy

As a school within the State sector entry is currently open to children of secondary school age who are eligible for a state funded education. Whilst this is a very wide sector of the public the Feoffees are aware that although education is state funded, for those who board, boarding facilities attract a fee. Boarding fees are the remit of the Governing Body not the Foundation and whilst the fee is extremely good value and very competitive there is nevertheless a fee to pay. A package has therefore been developed which looks to support both new and existing pupils in paying boarding fees.

The provision of bursaries is fundamental to the trust. However, to be realistic and to ensure the long term future of the support scheme, a number of principles are applied to award applicants including amongst others means testing and boarding need. Bursaries may be granted for existing boarding pupils, existing pupils seeking to come into boarding (and who have been deemed, by the School, to be suitable to board) and children seeking to enter the School (and who have been offered a place at the School and have been deemed, by the School, to be suitable to board). The principal criteria for awarding bursaries to the parents of an existing boarding pupil is that there must have been a clearly identifiable, significant and unforeseen worsening in the financial circumstances of the parents such that they cannot now practicably afford the whole of the boarding fee and that there would be a clear and significant detrimental effect on the pupil's education or development were they no longer to board at the School. For those seeking to come into boarding the pupils' parents must be able to demonstrate that they cannot practicably afford the whole of the boarding fee and that there would be a clear and significant advantage to the pupil's education or development were they to board at the School. Bursaries are a contribution towards boarding fees; except in very exceptional circumstances they do not cover fees in full and in all cases parents will be expected to make every effort to obtain support from other sources, as there must be a realistic chance that the remainder of the boarding fee can be met by the parents or by others.

The Feoffees have been aware of general financial pressures upon families because of economic difficulties in recent years and recognise that the scale of their support to individuals needs to be of meaningful value to make a difference. The pandemic added to this pressure which is now compounded by exceptional increases in energy costs, general inflation and rapidly increasing interest rates as a measure to contain this. The practice of providing funds for future support gives us the assurance that programme funding can be met for all existing bursary pupils until they have completed their GCSE's or, if they are already in the 6th Form, until they have completed their A level or vocational qualifications. The practice of designating funds for bursary support provides us with comfort that there are also funds available to assist additional pupils, who may or may not already attend the school, and it is through these funds that the Foundation is able to assist with grants towards fees for those boarding families who have a need arising. If there are more applications than available funding priority will be given to supporting pupils already in the school.

Over the years the Feoffees have worked with the Headmaster and with other like-minded support charities to achieve the best outcome for those who found themselves in need of assistance and they continually review how best to widen their support to enable more pupils, who have a need and whose families have limited means, to come into the School.

The Foundation accepts the nominations of the Headmaster for awards made from smaller specific funds and consults with him on applications for other grants to individuals including financial assistance to ensure that all pupils are able to participate in academic trips and extracurricular activities and to receive music tuition.

Donations are also made to provide a range of benefits as agreed from time to time between the School and the Feoffees and that would not normally be provided from maintenance grants paid under the Education Acts.

All grants are discretionary but the schemes have been developed so that advantage can be taken of additional funding streams that may be available from other trusts, from the School's Old Boys (the Old Foleyans Association) and from the School itself and which, when combined, can provide a workable support package.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Achievements and performance

This year was always expected to be another challenging year for everyone but it was with some confidence the Feoffees were able to go into it from a position of strength. Their prudent management of funds in the past, sound reserves policies, strong levels of liquidity and a balanced investment model had served them well as the pandemic took hold so that the Foundation was in a good position to continue to meet its charitable purpose in a sustainable and meaningful way. The financial outcomes for this year demonstrate sufficiency of funding and funding streams to meet the expectation of fully delivering bursary and support programmes, encouraging excellence in education and contributing to wider projects as the charity stepped up to put support in place as the School opened again, and to do this without delay, providing effective help to its beneficiaries as they too emerged from Covid-19.

The School of the Foundation

As school's opened we saw children begin to return to their lessons and staff return to start to find out where children's education had got to and to deliver education. They all faced challenges, periods of being unwell, staff shortages, disrupted learning and having to settle back into routines. Added to this, the School of the Foundation was about to embark on a momentous journey that would see girls joining the School from Year 7 and some of them joining as boarders. It would see the Year 7 intake double and pupil numbers start to increase rapidly so that the School would almost double in size over five years. The value of the governance role in developing strategy and supporting and assisting the School's leadership team in driving its implementation would be a key element in ensuring the success of the expansion programme and of equal importance was creating the infrastructure in which the School could grow and it was in both of these key roles the Foundation could provide practical and substantial assistance.

It was expected that this year, our resources would be called upon to support the School as it returned to a more normal school year and as it began another phase of expansion. Learning from our insight into the delivery of education at a distance and the pupils' ability to access this had given us focus for what the Foundation could do to better facilitate remote or hybrid learning and indeed learning in the classroom through the provision of a high quality resilient ICT infrastructure which had the capacity to grow and change as the school grew and the means of providing teaching and learning evolved. The project was delivered site wide by Michaelmas term 2021 with the Foundation contributing £125,000.

Additionally, through the support for excellence in education programme, £25,000 was granted towards the provision of interactive screens for classrooms and £8,000 towards timetabling consultancy to support the delivery of the curriculum in an expanded school.

Expansion also means there is a need for additional and improved teaching and learning spaces and resources and we have agreed with the Governing Body to look to draw up a lease to enable the School to occupy extended modern serviced premises in our ownership. The details are to be agreed over the coming months. We also granted £193,512 through the excellence in education programme which will be used to develop existing teaching accommodation and learning resources including the provision of new science laboratories.

Bursaries, prizes and welfare

As planned in our forecasting model, bursary spending has increased to support school admissions and promote boarding so that during the year £390,885 was awarded in, or provided for, bursaries. This was an increase of approximately 73% by overall value and added more pupils to the scheme, all of which was part of our strategy to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees.

The practice of providing support packages in conjunction with other funding sources continues to be successful. Assistance remains focussed where it is most needed and where it was best placed to support pupils and to add value to their time at the School so key examination years and 6th form study continue to be primary criteria in assessing applications as do those pupils who would benefit from boarding. The latter still show a need for longer-term support but with the use of funds designated for bursaries the Feoffees are able to offer this support which is much in keeping with the Founder's original intent.

Using the Owen Evans Fund, grants totalling £752 were made towards individual music tuition whilst the Krukowski Maths Fund gave a prize of £250 and together, the Williams Thomas Bursary Fund, Kieran Duffy Memorial Fund and William Cooper Bursary Fund contributed £2,500 towards the bursaries described above. The D T Williams Prize Fund and Parents' Bursary fund also jointly funded a grant of £2,796 to enable a pupil to attend a prestigious academic summer school to develop specific subject knowledge which would help further the pupil's university and career prospects.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

The welfare, events and development programmes which benefit the whole school or much larger groups within the school community got underway again and grants included £805 towards learning resources, £1,685 for Year 7 induction days, £429 for safeguarding training courses and governor support, £4,000 for outdoor furniture and £6,500 to give additional kitchen refrigeration capacity.

Feoffees were delighted to receive donations of £22,626 to help with their charitable objectives, coming from parents of pupils leaving the School and another of £1,500 from the Old Foleys Association towards bursary support. They were also delighted to receive a legacy of £10,000 from the will of Mrs Sheila Tuft that can be used at their discretion for general charitable purposes. The Feoffees elected to create a fund to hold the capital and preserve the gift long term, using the income for any charitable purpose they so decided.

The Feoffees continue to make available to the School one of the Foundation's residential investment properties for use as a temporary first aid post and changing facility in connection with the adjacent sports fields; an arrangement that is expected to continue for further playing seasons. They also granted £7,000 to help with playing field maintenance.

Portfolio development

The Feoffees continue to manage the Foundation's portfolio in a manner that maximises overall return from each element within it and in particular be vigilant for opportunities to enhance potential wherever possible.

Having previously taken professional planning advice, and set aside designated funds to assist in developing parcels of land over the next strategic land review in the borough and other authorities, the Feoffees continue to follow developments in the review process. This is a long-term project; the review is on-going but was delayed because of the pandemic however, we continue to engage with the process and over the course of the year fees of £6,350 have been met from designated funds. The Feoffees consider it is important to be properly advised and appraised of the progress and outcomes of the review and of the likely impact it may have upon the Foundation's assets and so choose to retain the designated fund balance for the time being.

Financial review

The Statement of Financial Activity on page 17, together with the notes thereon, show the income of the Foundation for the year to 31st March 2022, and how this income has been applied in furtherance of the objects of the Foundation.

The Foundation seeks to continue its work through the careful stewardship of its resources. Some donations are received and for this the Feoffees are most grateful but the Foundation is largely reliant on the income from its investments and property. Income from securities has shown some recovery and two additional rental properties were added to the portfolio, coming online as income earning late in the year. All income due on properties was received and, as a result of rent reviews, showed improvement. The need to maintain the quality of the Foundation's housing stock held as investment assets to protect both the capital value and the rental stream is ever present and funds have been set-aside for this purpose.

The Foundation does not raise funds from the public but it is happy to work with and assist the School to do so if they choose. However, no fundraising activity has taken place and no related expenditure was incurred.

The Balance Sheet as shown on page 18, and notes thereon, shows the financial position of each of the Foundation's funds as at 31st March 2022. The Feoffees are satisfied that each of the funds is adequately resourced and no fund is in deficit.

Investment policy and performance

Marketable securities- general portfolio

Investment managers are appointed to advise on marketable securities within the policy laid down by the Feoffees. The policy provides for capital to be invested to preserve asset values whilst generating income to support the needs of the School of the Foundation, balancing present day spending needs against the increasing demands of the future. The fair value of securities showed some growth in the year, falling back later on as a reaction to geopolitical events and inflationary pressure. When compared to a range of indicators the portfolio's return has performed less favourably in the short term but historically had done well. In discussion with the fund manager the Feoffees accept that this is a fund designed for the long term and it may therefore from time to time be affected by volatility and uncertainty. Its income earning potential remains firm.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Marketable securities – COIF Charities Investment Fund accumulation units

The Foundation's sinking fund comprising the final recoupment order to replace endowment funds applied in the development of school buildings, and a portion of the endowment, are invested in COIF Charities Investment Fund accumulation units. Over the year, in common with other diversified portfolios, the unit price has steadily improved.

Marketable securities – COIF Charities Property Fund income units

COIF Charities Property Fund units have grown steadily over the year and more so than diversified portfolios because of the underlying asset profile in the managed fund. After a planned reduction in dividend last year these are now picking up again and yielding almost 5%.

Marketable securities – restricted income funds

The investments in these funds comprise a mixture of securities which are managed by the Foundation's investment managers and a number of Charifund income units. The holdings are small and managed so as to produce a good income (4.73%) whilst sustaining the fair value of the investment. Fair values at the balance sheet date reflect the same trends of steady improvement.

Property

The Foundation has a number of investment properties, which generate rental income.

The Foundation's residential letting agent assists with the management of housing stock, which is principally let by way of assured shorthold tenancies. The Steward manages the maintenance and repair of all property. A review of these properties was carried in February 2021 by the residential letting agent looking at rental rates and estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Recommendations for rental uplifts are implemented as tenancies change or at an appropriate review point as is the usual practice.

Pleasingly, rental markets in the residential sector have remained buoyant, have increasing rental rates and few void periods which is, in part, also due to keeping properties in good repair. Over the year there were a number of tenancy changes, each giving the opportunity for a further rent review.

The Foundation has two larger commercial elements to the estate being farmland at Treherns & Racecourse Farms, which are combined into one holding, and the land let to Stourbridge Golf Club Limited. Both of these tenancies have longer-term agreements and are managed by the Steward with advice taken from appropriate agents when required. A third property, now known as Swinford Court, was added two years ago. The School of the Foundation has requested a lease on Swinford Court to accommodate its planned growth and negotiations are progressing for this to happen.

Loan finance amounting to £2,485,000 from National Westminster Bank Plc is secured on Swinford Court. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at £3,522,500 being its cost after the settlement of retentions. All loan repayments were met during the year and the balance outstanding at 31st March was £2,198,656.

Reserves policy

Unrestricted funds amount to £2,693,618 of which £1,418,091 is freely available.

The Feoffees have determined that the appropriate level of free reserves should be at least equivalent to approximately 50% of one year's forecast expenditure from income and any amounts forecast to be transferred from free reserves to designated funds in the following year.

The level takes into account the various sources of the Foundation's income and its ongoing commitments and specifically:

- The level of reserves has due regard to expenditure related to an entity which holds property as part of its portfolio and at no time should the reserves designated for buildings repair and maintenance be reduced to an unrealistic level;
- In reviewing the reserves base due regard must be had to the expected needs and projects forecast in the School of the Foundation, the assistance which the Foundation might be able to provide to promote the future of the School and in particular the fact that Feoffees would not willingly withdraw bursary support, and
- There should be sufficient flexibility for projects as yet unplanned to be reasonably accommodated.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

The Feoffees have designated reserves to ensure that their objectives can be routinely met, that they can be sustained, and that support can remain resilient where there might be short-term fluctuations. The level of designated funds is reviewed and assessed at least annually at the time of reviewing future forecasts. The Feoffees are satisfied that the designated funds are sufficient for their purpose and not excessive when compared to their future expenditure forecasts, and in particular:

- The bursary programme continues to expand as planned and the level of support per pupil has grown as projected;
- The remit of the designated reserve for supporting capital maintenance projects in the School has widened and over time this will increase the rate of uptake of funds, and
- Funds set aside for supporting excellence in education will be spent in the coming year.

On this basis the level of free resources at 31st March 2022 should be at least £590,446. The Feoffees consider the current level of free resources comfortable and affords them the opportunity to explore and support future projects in line with their expectations set out below in their plans for the future.

The Feoffees have considered their reserve policy and level of reserves in the light of the events of this year and expectations and forecasts for the next concluding that it continues to be a prudent approach, that there is sufficient in reserve to support their planned activity and sufficient in reserve to consider further applications for support.

Plans for the future

The School and its community have faced challenges and financial constraints over recent years from funding cuts and increased expectations of what is to be delivered and more recently from the effects of the pandemic, but it remains a strong community and has the self-belief that it has the strength to regrow and restore itself and grow yet further. It is doing this and will continue to do so, in the knowledge that the Foundation is steadfast and resolute in its supporting role. It is this underlying principle that drives the Foundation's programmes to be sustainable yet adaptable and flexible. Their forecasts are built to show how the Foundation can achieve what it plans to do in the short to medium timeframe, driven by the School's direction of travel and shaped by reflections on what has happened in recent times. These plans aim to:

- Ensure the on-going sustainability of programmes of support for bursaries and welfare and continue the initiative of awarding grants for new pupil admissions in conjunction with the School's admissions process;
- Promote excellence in education;
- Support the development of facilities and resources to meet the needs of the growing school numbers;
- Continue to provide support for the entry of girls and day pupils to the lower school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them;
- Continue support for the review of the efficiency and effectiveness of timetabled delivery of the curriculum so as to improve educational outcomes for all pupils;
- Support school governance programmes and assist in the provision of training;
- Continue to make available the time of Feoffees' Steward beyond that included in the service level agreement, and
- Offer guidance, through the governance role and wider, in meeting challenges as the School moves forward and continues on its growth path.

Bursary support remains a priority. We had hoped to see recovery in the economy but did not expect this to be immediate or full for a while so it was always likely that there would be more families needing to apply to the bursary programme but current geopolitical events and inflationary pressures make this more certain and for longer. The Feoffees consider they still have sufficient designated funds to enable them to offer more long-term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees and that awards considered in conjunction with, but independent of, the School's admissions process is still proving to be a good way of working and is opening the boarding option to more children.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2022 continued

Through their governance role in particular, Feoffees have learned a lot about the provision of education and the challenges of school leadership in difficult times and during the year they redirected resources to provide effective practical support, delivering IT solutions and extending science facilities. We plan to keep doing this because supporting the School during its growth phase will be essential to its success in meeting the challenges it will bring. We are confident that our practice of allocating funds for projects yet to be identified, so as to inform us what we might allocate if required, means that there are resources that can be deployed to do this.

Emerging from COVID-19 and moving on

We started the year not knowing when covid restrictions might end but we did know that getting education back on track was a national priority and that it would not likely be straight forward. The year has been another disruptive one for the School but as it draws to a close it is settling more. We went into this period having reassessed where our income streams might be at risk but with some confidence that they had not materially suffered so far. Our reserves had not been called upon and our liquidity levels remained intact. Our provisioning policy for bursaries had proved to be justifiable as it meant we had no concern that support programmes could not be met for all of the children who were already in school with a bursary. With a strong financial position and a balanced investment model we were in a good position to continue to provide our charitable support and this we have done, learning from what we saw of education through lockdowns and bubbles, working out with school leaders what needed to change, understanding that both family finances and welfare had suffered and in some cases would not recover and recognising that our focus also had to be forward facing so that we could rise to and meet the challenges of expansion.

We have continued to work remotely where necessary and to do this effectively and efficiently from a distance but have also safely returned to our office base and more recently to holding meetings face to face. As a Foundation we are fortunate to have a dedicated team of people guiding, managing and driving it forward and we are satisfied that our confidence in the Foundation's strengths was and is justified. We have seen markets begin to recover then fall back because of new pressures, but we are not complacent and our continued monitoring and assessment helps us preserve the Foundation's strong financial position. We are genuinely delighted to see school and daily life returning to something close to normality and we feel the Foundation is well placed to move forward with it.

Feoffees' responsibilities in relation to the financial statements

The Feoffees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Feoffees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, of the Foundation for that period.

In preparing the financial statements the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Feoffees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme. They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 24th June 2022 and signed on their behalf by

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital

Opinion

We have audited the financial statements of Old Swinford Hospital for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2022 and of 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 13, the Feoffees 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 Feoffees 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 Feoffees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Feoffees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Foundation operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Foundation for fraud. The laws and regulations we considered in this context were Health and Safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Feoffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees 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 Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House,
Rounds Green Road,
Oldbury,
B69 2DG

24th June 2022

OLD SWINFORD HOSPITAL**Statement of Financial Activity for the year ended 31st March 2022**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
		£	£	£	£	£
Income & endowments						
Donations & legacies	3	24,185	32,626	0	56,811	8,446
Charitable activities	4	27,500	0	0	27,500	27,500
Investments & property	5	1,137,011	7,425	0	1,144,436	1,063,901
Other	6	50,500	0	0	50,500	55,788
Total income & endowments		1,239,196	40,051	0	1,279,247	1,155,635
Expenditure						
<i>Raising funds</i>						
Investment management fees	9	0	0	19,926	19,926	17,782
Property costs	10	300,385	0	0	300,385	309,737
<i>Cost of raising funds</i>		300,385	0	19,926	320,311	327,519
<i>Charitable activities</i>						
	11					
Bursaries, prizes & welfare		642,531	7,033	0	649,564	294,239
Property costs		7,000	0	43,553	50,553	43,553
School development & support		54,014	0	0	54,014	53,151
<i>Cost of charitable activities</i>		703,545	7,033	43,553	754,131	390,943
<i>Other expenditure</i>	12	18,658	0	0	18,658	16,488
Total expenditure		1,022,588	7,033	63,479	1,093,100	734,950
<i>Net income/(expenditure) before gains/(losses) on investments</i>						
		216,608	33,018	(63,479)	186,147	420,685
Net gains/(losses) on investments	13	0	91,725	323,823	415,548	1,313,744
Net income/(expenditure)		216,608	124,743	260,344	601,695	1,734,429
Transfers between funds	14	0	0	0	0	0
Net movement in funds		216,608	124,743	260,344	601,695	1,734,429
Reconciliation of funds						
Net movement of funds		216,608	124,743	260,344	601,695	1,734,429
Total funds brought forward		2,477,010	864,900	13,119,664	16,461,574	14,727,145
Total funds carried forward		2,693,618	989,643	13,380,008	17,063,269	16,461,574

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Balance Sheet as at 31st March 2022**

		Total funds 2022 £	Total funds 2021 £
	Note		
Fixed assets			
Tangible fixed assets	15	1,823,800	1,867,085
Investments	16	<u>16,984,555</u>	<u>16,373,939</u>
Total fixed assets		18,808,355	18,241,024
Current assets			
Stock		1,202	1,324
Debtors	17	844,815	648,311
Cash at bank and in hand	22	<u>754,663</u>	<u>903,213</u>
Total current assets		<u>1,600,680</u>	<u>1,552,848</u>
Liabilities			
	18		
Creditors: amounts falling due within one year		<u>(861,631)</u>	<u>(821,615)</u>
Net current assets/liabilities		739,049	731,233
Total assets less current liabilities		<u>19,547,404</u>	<u>18,972,257</u>
Creditors: amounts falling due more than one year		(1,997,045)	(2,196,860)
Provisions for liabilities		<u>(487,090)</u>	<u>(313,823)</u>
Net assets		<u>17,063,269</u>	<u>16,461,574</u>
The funds of the Foundation			
Endowment funds	19	13,380,008	13,119,664
Restricted funds	20	989,643	864,900
Unrestricted funds	21	<u>2,693,618</u>	<u>2,477,010</u>
Total charity funds		<u>17,063,269</u>	<u>16,461,574</u>

Approved by the Feoffees on 24th June 2022 and signed on their behalf by

M Wilcox
Chairman

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Statement of Cash Flows for the year ended 31st March 2022**

		31 st March 2022		31 st March 2021	
	Note	£	£	£	£
Cash flows from operating activities:	23				
<i>Net cash provided by/(used in) operating activities</i>			(955,760)		(4,290,003)
<i>Cash flows from investing activities:</i>					
Dividends, interest & rents from investments		1,144,436		1,063,901	
Proceeds from sale of investments		78,476		8,176	
Purchase of investments		<u>(273,812)</u>		<u>(711,693)</u>	
<i>Net cash provided by/(used in) investing activities</i>			949,100		360,384
<i>Cash flows from financing activities:</i>					
Repayments of borrowing		<u>(141,890)</u>		<u>(144,454)</u>	
<i>Net cash provided by/(used in) financing activities</i>			<u>(141,890)</u>		<u>(144,454)</u>
<i>Change in cash & cash equivalents in the reporting period</i>			(148,550)		(4,074,073)
Cash & cash equivalents at the beginning of the reporting period			<u>903,213</u>		<u>4,977,286</u>
Cash & cash equivalents at the end of the reporting period			<u>754,663</u>		<u>903,213</u>
Analysis of cash & cash equivalents					
Cash in hand	22		<u>754,663</u>		<u>903,213</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts and accounting policies have been applied consistently throughout this year and the preceding year unless likewise stated.

Over the last two years the Feoffees, like everyone else, have been faced with all of the concerns, uncertainties and difficulties that come with a global pandemic, both to its own activities and those of its beneficiary as well as economic markets across the world. At a very early stage the Feoffees had considered these circumstances in the context of the Foundation concluding that the charity was sufficiently well placed to meet these challenges without casting doubt on its ability to continue as a going concern and in coming to this conclusion they had due regard to the inherent risk attached to investment performance and the expectation that in such a climate these risks might be heightened, investments values less strong and income reduced. Their view then was that they considered:

- The Foundation's portfolios to be well balanced and placed in good quality investments and as they did not foresee the need to dispose of these assets in the immediate future they did not consider any short term downward fluctuation to be a cause of undue concern, and
- Their prudent reserves policies would assist them to continue their support programmes and to make available some additional support where it was needed.

Another year on and, whilst there had been signs of recovery, markets have now been affected by geopolitical unrest and growing inflationary pressures. Yet, the Feoffees earlier considerations, which proved justified during the pandemic, continue to be the case and, together with the practice of allocating funds for projects yet to be identified so as to inform Feoffees what they might allocate if required, a strong liquidity position, the identification and assessment of income streams that may be at risk, and flexed forecasting models to test resilience, the charity remains well placed to continue its work in a meaningful way to support the School of the Foundation as it manoeuvres through the same, and its own, challenges.

The Feoffees are not aware of any other material uncertainties that cast significant doubt on the Foundation's ability to continue as a going concern.

Public benefit entity

The Foundation constitutes a public benefit entity as defined by FRS 102.

Funds

(i) The Foundation has a permanent endowment, which was derived from the will of Thomas Foley, made and published, in or about the month of January 1671, to be used in furtherance of the objects of the Foundation. Income arising on the endowment is wholly unrestricted.

(ii) Restricted funds include:

- (a) Funds that are to be used in accordance with instructions imposed by the donor, and
- (b) Sinking funds that provide for the replacement of funds used for authorised capital and other expenditure prior to 2007.

The Foundation has a number of restricted income funds created by legacies and donations that aim to further and support charitable activities by providing for bursaries, prizes and welfare.

The Foundation's sinking funds comprise recoupment orders to replace endowment funds applied in the development of the buildings of the School of the Foundation prior to 2007. By Order annual transfers are made to sinking funds, from unrestricted income, and invested. Income is accumulated. Upon satisfaction sinking funds will be transferred to the endowment at the prevailing valuation.

(iii) Unrestricted funds are those funds available for use in furtherance of the Foundation's charitable objectives and include funds designated, at the Feoffees' discretion, for specific purposes.

(iv) Transfers between Funds are at valuation unless otherwise stated.

Further details of each fund are set out in notes 19-21.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(i) Donations & legacies

Donations are recognised when the Foundation has been notified of both the value and expected date of receipt otherwise they are accounted for on a receipts basis. Incoming resources from associated tax reclaims are included at the same time as the gift to which they relate.

(ii) Investment income

Investment income derived from deposits and securities will normally be recognised on receipt of a statement or payment advice. Where it is derived from a rental agreement it will be recognised in accordance with the payments dates and values in that agreement.

(iii) Taxation

The income of the Foundation is not subject to taxation, save for that deducted at source and irrecoverable. Value added tax is chargeable on eligible taxable supplies and, for property rental, where there is an option to tax.

Expenditure recognition

Expenditure is charged on an accruals basis and liabilities are recognised where there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be requested and the amount of the obligation can be reliably measured.

(i) Grants

Grants made to the School of the Foundation are conditional only on their being used solely for the purpose for which they were intended. They are recognised as expenditure when the School has been notified of the award and its value.

Grants awarded for the bursary and welfare support of individuals connected with the School may have further conditions attached and, to the extent that this is the case, instalments or future payments may be withdrawn if these conditions are not met. Grants for bursary and welfare support are recognised as expenditure when the recipient has been notified of the award and its value. Grants for bursary support are generally given for one academic year (paid termly) however if they are made for more than one academic year the multi-year grant is recognised as expenditure when the recipient has been notified of the award, its term and its value.

Where the Foundation is notified that a condition attached to an award has not been met then any further instalments scheduled will be suspended until a decision is reached as to whether the grant will remain payable or be withdrawn. Until such time as this decision is made the grant is recognised as probably payable.

The granting of any award for bursary support is at the sole discretion of the Feoffees and there is no obligation to continue any support programme for any period beyond that agreed with the recipient however realistically this support will probably continue although the term and value may vary. The Feoffees remain mindful that they would not seek to reduce the assistance they can provide through support programmes wherever possible, as this would probably be to the detriment of the recipient's education and which would most likely be interrupted. To reduce this risk provision is made for continuing bursary support beyond any agreed and notified awards where there are reasonable grounds to assume that circumstances will require it to be continued and that the applicant is likely to qualify for further support. The value of any award is at the discretion of the Feoffees and so for the purpose of establishing the value of any such provision the current rate is used unless the Feoffees are aware of any factors which would influence the value of the award in which case these will be applied in making a judgement as to the value of the provision.

(ii) Allocation of support costs and governance

Excepting investment management fees, which are charged to endowment funds, all other costs are charged against unrestricted income. That part which might be charged against restricted funds is considered too small a proportion to reasonably calculate and apportion.

Wherever possible expenditure is allocated to the activity to which it relates. The Foundation incurs little in the way of general running and overhead costs, being administered by the Steward out of one office within the school. Support costs comprise principally staff costs, office costs and meetings costs and are allocated based on an estimate of time spent. The basis of allocation is set out in note 7.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

The costs of compliance with regulation and good practice, including statutory audit fees, trustee indemnity insurance and legal fees relating to governance, together with an apportionment of support costs are disclosed as other expenditure. They neither relate to raising funds nor are they related to expenditure on charitable activities. Other expenditure is detailed in note 12 to the accounts.

(iii) Taxation

Value added tax is recoverable to the extent it is associated with an eligible taxable supply and, for properties, where there is an option to tax. Irrecoverable value added tax is charged against the category of expenditure to which it relates.

Fixed assets

(i) Tangible fixed assets and depreciation

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation.

Expenditure on additions and major capital improvements are capitalised but contributions to school and other property repairs are charged against revenue or funds set-aside for that purpose.

Tangible fixed assets are included at cost net of grants receivable by the Foundation and, excluding freehold land, depreciated on a straight-line basis at 2% per annum.

(ii) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the following methods:

- (a) Investments on a recognised stock market are valued at quoted rates at the balance sheet date.
- (b) Investments in land and buildings are included at a valuation calculated by reference to rental income capitalised at an expected average rate of return for that type of property in continued existing use.
- (c) Investment assets designated for the time being for the Foundation's own use are carried at cost and, excluding freehold land, are depreciated on a straight-line basis at 2% per annum.
- (d) Upon completion of the recoupment period for recoupment orders making up the Foundation's sinking funds the investment in the fund is transferred to the endowment at market value at the date of completion of the order.

Any exceptions in applying the valuation methods are set out in the relevant notes to these accounts.

The Statement of Financial Activity includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if they have been purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the yearend (as described above) and their opening carrying value or their purchase value if they have been purchased during the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising 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. They are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and these are initially recognised at transaction value and are subsequently measured at their settlement value. Financial assets comprise investment in securities, debtors and cash balances and financial liabilities comprise creditors, provisions and bank loans. All of these are detailed in the notes to the accounts.

Stocks of sundry stores

Stocks of sundry stores are valued at their cost net of any deduction for impairment.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

2. Related party transactions and trustees' expenses and remuneration

Related party transaction

The Feoffees acquired the leasehold to a property owned by the daughter of a Feoffee, Mr M Wilcox. Mr Wilcox is the Chairman of the Feoffees and of the Governing Body of the School of the Foundation.

The acquisition was a continuation of the Feoffees' strategy to acquire the leasehold interests related to freeholds they already own so as to protect their freehold interest and to generate investment income through residential lettings.

The arrangement was not deemed to be a benefit arising from any relationship with the Foundation or the School of the Foundation. The Feoffees were advised of an appropriate valuation by the Foundation's Letting Agent, Ian Perks Letting Agents and their Solicitor, Burges Salmon, attended to all legal matters. Mr Wilcox excused himself from all Feoffee decisions on this matter.

The Charity Commission issued an Order to authorise the purchase of land from a close relation of a trustee of the charity under the power given in section 105 of the Charities Act 2011 on 8th October 2021.

Trustees' expenses and remuneration

Feoffees give of their time freely and willingly to both the Foundation and the School and no remuneration or expenses were paid in the year, neither did any Feoffee, or person connected with a Feoffee, receive any benefit from the Foundation.

3. Donations

	Unrestricted funds		Restricted funds	
	2022	2021	2022	2021
	£		£	
Prize fund and bursary donations	1,500	3,000	22,626	550
Legacy	0	0	10,000	0
General donations	22,685	4,896	0	0
	<u>24,185</u>	<u>7,896</u>	<u>32,626</u>	<u>550</u>

4. Income from charitable activities

	2022	2021
	£	£
Provision of clerking and other administrative assistance to the School of the Foundation and its Governing Body	27,500	27,500

5. Investment & property income

	Unrestricted funds		Restricted funds	
	2022	2021	2022	2021
	£		£	
Marketable securities – listed in the UK	97,717	89,446	7,425	6,150
Marketable securities – listed outside the UK	3,623	3,523	0	0
	<u>101,340</u>	<u>92,969</u>	<u>7,425</u>	<u>6,150</u>
Property	1,035,626	964,612	0	0
Bank & other interest	45	170	0	0
	<u>1,137,011</u>	<u>1,057,751</u>	<u>7,425</u>	<u>6,150</u>

6. Other income

	2022	2021
	£	£
Wayleaves	500	500
Facilities fee	50,000	50,000
Easement	0	5,288
	<u>50,500</u>	<u>55,788</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

7. Allocation of support costs

	Cost of raising funds	Charitable activities	Governance	Total allocated
	£	£	£	£
Staff costs	19,294	6,431	6,431	32,156
Office services, meetings costs and general consumables	3,210	1,071	1,071	5,352
Year to 31 st March 2022	<u>22,504</u>	<u>7,502</u>	<u>7,502</u>	<u>37,508</u>
Staff costs	18,130	6,043	6,043	30,216
Office services, meetings costs and general consumables	2,672	891	891	4,454
Year to 31 st March 2021	<u>20,802</u>	<u>6,934</u>	<u>6,934</u>	<u>34,670</u>

Support costs have been apportioned between the cost of raising funds, charitable activity (excluding the provision of clerking and other administrative assistance) and governance based on an estimate of staff time being 60%, 20% and 20% respectively (2021: 60%, 20% and 20%). The provision of clerking and other administrative assistance absorbs a significant number of the available hours and the staff cost of providing this is allocated to that activity. No additional support costs have been added.

8. Staff costs and remuneration of key personnel

In accordance with the provisions of the Scheme, the Feoffees continue to employ one person as Steward; a role they consider a key management position. On behalf of the Foundation the Steward also provides clerking and other administrative assistance to the School of the Foundation and its Governing Body.

No remuneration, expenses or benefits were paid to the Feoffees during the year (2021: £nil).

Staff costs amounted to £86,170 (2021: £83,367) and included social security costs of £4,807 (2021: £4,517) and pension contributions of £8,700 (2021: £8,345). The Steward's emoluments fall into the bracket £80,000-£90,000 (2021: £70,000-£80,000).

9. Investment management fees

	2022	2021
	£	£
Investment management fees	<u>19,926</u>	<u>17,782</u>

Investment management fees are those fees charged by fund managers for the management and administration of the Foundation's portfolio of marketable securities. The entire fee is charged to endowment funds although a very small proportion is in respect of marketable securities held in restricted income funds. That part which might be charged against restricted funds is not significant amounting to approximately 1% of the fee.

10. Property costs

	2022	2021
	£	£
Property maintenance	176,836	96,731
Other property costs	2,283	76,864
Insurance	3,945	25,736
Loan interest	55,749	52,205
Letting & other professional fees	39,068	37,399
Support costs	<u>22,504</u>	<u>20,802</u>
	<u>300,385</u>	<u>309,737</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

11. Charitable activities

	2022	2021
	£	£
Bursaries, prizes & welfare from unrestricted funds		
Provision of bursaries & prizes:		
Bursaries	388,385	226,079
Prizes	0	2,836
Provision of welfare requests:		
Welfare	13,599	9,932
School Fund	1,927	25
Supporting excellence in education	226,512	42,302
Hospitality & functions	106	0
Other donations:		
Donation to St Mary's Church	4,500	4,500
	<u>635,029</u>	<u>285,674</u>
Bursaries, prizes & other support from restricted funds		
Bursaries, prizes & welfare support	6,299	1,000
Donation to Old Foleyans Association	734	631
	<u>7,033</u>	<u>1,631</u>
Total expenditure on bursaries, prizes & welfare	<u>642,062</u>	<u>287,305</u>
	2022	2021
	£	£
Property costs		
School maintenance projects from unrestricted funds	7,000	0
Depreciation from endowment funds	43,553	43,553
Total expenditure on property	<u>50,553</u>	<u>43,553</u>
School development & support		
Provision of clerking and other administrative assistance	54,014	53,151
Total expenditure on school development & support	<u>54,014</u>	<u>53,151</u>
Summary of expenditure on charitable activities:		
Bursaries, prizes & welfare	642,062	287,305
Property costs	50,553	43,553
School development & support	54,014	53,151
Support Costs	7,502	6,934
	<u>754,131</u>	<u>390,943</u>

The Foundation awarded grants to a number of individuals, to the School of the Foundation and organisations directly and closely associated with the School of the Foundation. Individuals receiving grants are all members, or former members, of the School community.

Bursary awards were made to 44 individuals (2021: 32) to assist with the payment of boarding fees for pupils at the School of the Foundation. A further grant of £2,796 was made to assist with the payment of summer school fees. Bursaries and prizes from restricted funds are principally academic, achievement or welfare awards made to individuals attending or associated with the School of the Foundation.

Welfare requests are grants to the School of the Foundation.

A donation is made to St Mary's Church, Old Swinford, for the use of the church for services throughout the year by the School of the Foundation and in lieu of collection from the pupils of the School.

Depreciation is charged on tangible fixed assets and investment assets designated for the Foundation's own use, excluding freehold land.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

Support costs have been allocated in accordance with note 7 as follows:

	Charitable activity	Support costs	Total
	£	£	£
Bursaries, prizes and welfare	642,062	7,502	649,564
Property costs	50,553	0	50,553
School development & support	54,014	0	54,014
Year to 31 st March 2022	<u>746,629</u>	<u>7,502</u>	<u>754,131</u>
Bursaries, prizes and welfare	287,305	6,934	294,239
Property costs	43,553	0	43,553
School development & support	53,151	0	53,151
Year to 31 st March 2021	<u>384,009</u>	<u>6,934</u>	<u>390,943</u>

12. Other expenditure

	2022	2021
	£	£
Support costs	7,502	6,934
Audit fees	7,150	7,520
Legal fees	1,988	0
Indemnity insurance	2,018	2,034
	<u>18,658</u>	<u>16,488</u>

The auditors' remuneration was solely in respect of audit fees paid and payable to Crowe U.K. LLP.

13. Net gains/(losses) on investments

	Restricted funds	Endowment funds	Total 2022	Total 2021
	£	£	£	£
Gains/(losses) on:				
Disposal of marketable securities	(7)	(23,449)	(23,456)	(626)
	<u>(7)</u>	<u>(23,449)</u>	<u>(23,456)</u>	<u>(626)</u>
Unrealised gains/(losses) on:				
Estate property	0	1,509	1,509	31,477
Housing property	0	71,057	71,057	125,219
Marketable securities	91,732	274,706	366,438	1,157,674
	<u>91,732</u>	<u>347,272</u>	<u>439,004</u>	<u>1,314,370</u>
Total gains/(losses)	<u>91,725</u>	<u>323,823</u>	<u>415,548</u>	<u>1,313,744</u>

14. Transfer between funds

There were no transfers between funds in the year to 31st March 2022 nor in the year to 31st March 2021.

Within unrestricted income funds amounts were transferred to designated funds for purposes as follows:

- £275,000 (2021: £300,000) for estate and housing costs and maintenance;
- £15,000 (2021: £15,000) for contributions to school maintenance;
- £22,660 (2021: £4,871) to support excellence in education, and
- £401,500 (2021: £303,000) for bursary and scholarship awards.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

15. Tangible fixed assets

	Freehold		Total 2022 £	Total 2021 £
	Land £	Buildings £		
Cost or valuation:				
At 1 st April and 31 st March	387,119	2,164,243	2,551,362	2,551,362
Depreciation:				
At 1 st April	0	684,277	684,277	640,992
Charged in the year	0	43,285	43,285	43,285
At 31 st March	0	727,562	727,562	684,277
Net book value at 31st March	387,119	1,436,681	1,823,800	1,867,085

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation. They are included in the financial statements at a valuation of 1st January 1950 plus the cost of additions since that date, net of grants receivable by the Foundation. Depreciation is charged against buildings at 2% per annum on a straight-line basis.

16. Investments

	Freehold estate £	Freehold housing £	Leasehold housing £	Marketable securities £	COIF Units £	Total 2022 £	Total 2021 £
Cost or valuation:							
At 1 st April	5,762,831	2,951,669	1,487,113	3,784,459	2,393,231	16,379,303	14,362,042
Additions at cost	(27,500)	0	191,165	110,147	0	273,812	711,693
Disposals at opening book value	0	0	0	(101,932)	0	(101,932)	(8,802)
Net revaluation gains/(losses) in year	1,509	44,000	27,057	83,268	283,170	439,004	1,314,370
At 31 st March	5,736,840	2,995,669	1,705,335	3,875,942	2,676,401	16,990,187	16,379,303
Cost or prior valuation at 31 st March	3,895,233	1,166,412	1,471,332	2,056,939	1,279,781	9,869,697	9,644,818
Depreciation:							
At 1 st April	0	(5,364)	0			(5,364)	(5,096)
Charged in the year	0	(268)	0			(268)	(268)
At 31 st March	0	(5,632)	0			(5,632)	(5,364)
Net book value at 31st March	5,736,840	2,990,037	1,705,335	3,875,942	2,676,401	16,984,555	16,383,939
Analysis of value by fund:							
Unrestricted funds	0	0	0	1,751,371	0	1,751,371	1,443,259
Restricted funds	0	0	0	216,708	761,564	978,272	853,082
Endowment funds	5,736,840	2,990,037	1,705,335	1,907,863	1,914,837	14,254,912	14,077,598
	5,736,840	2,990,037	1,705,335	3,875,942	2,676,401	16,984,555	16,373,939

All investments are carried at their fair value, which has been determined for each class of asset as set out next.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

Property

As a general rule the fair value of investment property has been calculated with reference to rental income generated on each property capitalised at an expected average rate of return for that type of property in continued existing use. The Feoffees consider the basis adopted to be reasonable, fair and realistic and to reflect the use of the asset.

Where this basis is used the resultant values are compared to market values or approximations, in so far available, and values reduced to the extent that they may be higher than market value.

A review of residential rental values was carried in February 2021 by Mr I J Perks FNAEA. The review also reported on estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Three properties (2021: nil) have a calculated value in excess of their recommended market value.

Where capitalising rental would give an unrealistic valuation or where there is no rental to base a valuation upon for example, the fair value of each property is separately assessed in the context of its use or intended use. This has been applied as follows:

- On small sites which return rental for telephone masts, the land is included at cost if known or a reasonably nominal value otherwise.
- The freehold underlying the Foundation's leasehold properties plus eight owned by others and the surrounding amenity space, which was acquired in two parts over 2013-2015, stands at cost. The purchase of the freehold was advised by Mr A Herbert FRICS MARLA IRRV(Hons) of Pennycuik Collins, Chartered Surveyors. Ground rental is insignificant and an unsuitable valuation base for this holding. Given the remaining lease term the Feoffees consider cost to be an appropriate fair value. The owned leaseholds and their associated freehold remain separate and have been valued as such.
- Freehold land made available to the School for sports fields has been included at a valuation of £190,000 based on the site, undeveloped, but with the benefit of planning consent and vacant possession. Full development costs have not been capitalised. The Feoffees consider the valuation, prepared in February 2010 by Sellers, Chartered Surveyors, to be reasonable for valuation purposes and in its present use.
- Treherns Farmhouse has been made temporarily available to the School for use as a first aid post and changing room in connection with the sports fields adjacent to it. Until November 2015 the property was rented out as a residential property. Its value based on the principle of capitalised rental was £130,000. This compares to an estimated market value of £540,000. As the property is not currently available for sale or alternative use the Feoffees have elected to retain the value previously adopted until such time as the future use of the farmhouse is determined.
- Hanbury Hill House is made available for the School for teaching purposes and no rent is charged. It is included at cost less depreciation charged at 2% per annum on a straight-line basis.
- The recently acquired Swinford Court is included at cost.

Securities

The Foundation's nominated investment advisors, Smith & Williamson Investment Management LLP, establish the fair value of marketable securities using readily available market prices. The composition of the portfolio is as advised by them and the Feoffees accept this advice, considering the result to be a well balanced portfolio, allowing both capital growth and income at acceptable and appropriate levels.

Restricted income funds also include investments in M&G Charifund income units. The fair value of these is established by reference to the quoted rates published by M&G Investments.

The fair value of investment in COIF Charities Investment Fund accumulation units is established by reference to rates published by CCLA as is the value of investment in COIF Property Fund units.

At 31st March 2022 marketable securities includes £196,912 (2021: £186,388) of investment assets outside of the UK.

The Feoffees consider that generally, individual holdings with a valuation in excess of 5% of the total portfolio value are material. They also consider the land comprising Treherns & Racecourse Farms and the Stourbridge Golf course to be significant although their valuation is less than 5% of the total portfolio.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

As at 31st March the following material investments were held:

	2022	2021
	£	£
Holdings valued above 5%:		
Swinford Court	3,522,500	3,550,000
COIF Charities Investment Fund accumulation units	2,507,399	2,246,182
Other significant holdings:	6,029,899	5,796,182
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<u>7,186,735</u>	<u>6,953,018</u>

17. Debtors

	2022	2021
	£	£
Taxation recoverable	10,575	11,935
Rental income and licence fees due	276	2,810
Debtors, prepayments and accrued income	833,964	633,566
	<u>844,815</u>	<u>648,311</u>

18. Liabilities

	2022	2021
	£	£
Creditors: amounts falling due within one year:		
Rentals received in advance and deposits held	31,472	21,474
Bursaries, prizes and welfare	76,582	55,293
Expansion capital contributions	498,058	498,058
Due on completion of property purchase	0	50,000
Taxation due	21,840	1,375
Creditors and accrued fees	32,068	51,729
Bank loan	201,611	143,686
	<u>861,631</u>	<u>821,615</u>
Creditors: amounts falling due more than one year:		
Bank loan	1,997,045	2,196,860
	<u>1,997,045</u>	<u>2,196,860</u>
Provisions for liabilities		
Provisions for bursary support brought forward	313,823	199,895
Allocated to bursary awards	(113,939)	(78,984)
Additional provision	287,206	192,912
Provision for bursary support carried forward	<u>487,090</u>	<u>313,823</u>
Provisions for awards expected within one year	168,889	125,093
Provisions for awards expected in more than one year	318,201	188,730
	<u>487,090</u>	<u>313,823</u>

The movement in provisions for bursary support is the net increase/(decrease) in provision after a reassessment of expected future costs to maintain current bursary awards.

On 31st March 2020 the Feoffees entered into a term loan with National Westminster Bank Plc for the sum of £2,485,000 to facilitate the acquisition of the former Stourbridge College site (now known as Swinford Court) and on which the loan is secured. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at its cost of £3,522,500.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

19. Endowment funds

	Balance 1st April	Movement in funds			Balance 31st March
		Income	Expenditure	Gains & losses	
	£	£	£	£	£
Permanent endowment fund					
Year to 31 st March 2022	13,119,664	0	(63,479)	323,823	13,380,008
Year to 31 st March 2021	12,027,421	5,288	(61,335)	1,148,290	13,119,664

Permanent endowment funds are those funds derived from the will of Thomas Foley, the income from which is used in furtherance of the objects of the Foundation.

20. Restricted funds

	Balance 1st April	Movement in funds			Balance 31st March
		Income	Expenditure	Gains & losses	
	£	£	£	£	£
Sinking funds	682,225	0	0	79,339	761,564
D T Plant fund	31,090	0	0	1,138	32,228
Williams-Thomas bursary fund	15,910	752	(750)	1,075	16,987
Don Williams prize fund	15,350	685	(797)	980	16,218
Kieran Duffy memorial fund	36,020	1,704	(1,500)	2,437	38,661
Parents' Association fund	3,050	133	0	190	3,373
Krukowski maths fund	10,448	514	(250)	736	11,448
William Cooper bursary fund	7,474	344	(250)	493	8,061
Parents' bursary fund	38,857	24,637	(2,000)	3,317	64,811
Owen Evans fund	10,069	466	(752)	667	10,450
Dyson fund	14,407	734	(734)	1,050	15,457
Sheila Tuft Fund	0	10,082	0	303	10,385
Year to 31 st March 2022	864,900	40,051	(7,033)	91,725	989,643
Prior Year balances					
Sinking funds	548,756	0	0	133,469	682,225
D T Plant fund	25,512	0	0	5,578	31,090
Williams-Thomas bursary fund	12,491	646	0	2,773	15,910
Don Williams prize fund	12,233	589	0	2,528	15,350
Kieran Duffy memorial fund	28,261	1,466	0	6,293	36,020
Parents' Association fund	2,445	114	0	491	3,050
Krukowski maths fund	9,107	442	(1,000)	1,899	10,448
William Cooper bursary fund	5,906	296	0	1,272	7,474
Parents' bursary fund	30,021	2,115	0	6,721	38,857
Owen Evans fund	7,947	401	0	1,721	10,069
Dyson fund	11,698	631	(631)	2,709	14,407
Year to 31 st March 2021	694,377	6,700	(1,631)	165,454	864,900

Sinking funds provide for the replacement of funds used for authorised capital and other expenditure and dated prior to 2007. At 31st March there was one remaining recoupment orders dated before 2007 on which the annual transfers have been paid up to the end of the term. Income is accumulated and on maturity funds will be transferred to the endowment at their prevailing valuation.

The D T Plant fund, created by legacy, provides income directly payable to the Old Foleys Association.

The Williams-Thomas bursary fund, created by legacy, pays income to support pupils at the School.

The Don Williams prize fund, created by legacy, pays income towards providing prizes for academic achievement.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

The Kieran Duffy memorial fund, created by donations in memory of a former pupil killed in a flying accident during the Gulf War, provides income to support pupils at the School.

The Parents' Association fund allows for both income and capital to be applied in support of the activities of the Parents' Association.

The Krukowski maths fund, created by donation, pays income for a grant to be given to a pupil going on to study mathematics at university and nominated by the Headmaster.

The William Cooper bursary fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees to support pupils at the School.

The Parents' bursary fund, created by donations from parents, allows for both income and capital to be used at the discretion of the Feoffees to assist any needy pupil at the School.

The Owen Evans fund, created by donation, pays income to support pupils at the School.

The Dyson fund, created by legacy, is for the benefit of the Old Foleyans Association.

The Sheila Tuft fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees for general charitable purposes in memory of Mrs Christine Forshaw (nee Edge).

21. Unrestricted funds

	Balance	Movement in funds			Balance
	1st April	Income	Expenditure	Transfers	31st March
	£	£	£	£	£
Income funds	1,319,132	1,239,196	(426,077)	(714,160)	1,418,091
Designated funds:					
Bursary & Welfare fund	184,559	0	(388,385)	401,500	197,674
School property maintenance fund	53,717	0	(7,000)	15,000	61,717
Investment property maintenance fund	660,533	0	(184,264)	275,000	751,269
Land development fund	248,557	0	(6,350)	0	242,207
Excellence in Education	10,512	0	(10,512)	22,660	22,660
Year to 31 st March 2022	<u>2,477,010</u>	<u>1,239,196</u>	<u>(1,022,588)</u>	<u>0</u>	<u>2,693,618</u>
Prior Year balances					
Income funds	1,019,919	1,143,647	(221,563)	(622,871)	1,319,132
Designated funds:					
Bursary & Welfare fund	107,638	0	(226,079)	303,000	184,559
School property maintenance fund	38,717	0	0	15,000	53,717
Investment property maintenance fund	532,379	0	(171,846)	300,000	660,533
Land development fund	258,751	0	(10,194)	0	248,557
Excellence in Education	47,943	0	(42,302)	4,871	10,512
Year to 31 st March 2021	<u>2,005,347</u>	<u>1,143,647</u>	<u>(671,984)</u>	<u>0</u>	<u>2,477,010</u>

Unrestricted funds include funds set aside by the Feoffees out of unrestricted income funds for the purpose of:

Providing for bursary and welfare support

The Feoffees consider that a working capital base should be provided to support applications for bursary and welfare grants, which are made on an 'as needs' basis.

Providing for contributions to capital expenditure and repair of school property

A working capital base is maintained so that the Foundation can assist the Governing Body by providing grants from time to time to assist with capital projects and repairs.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

Attending to maintenance on estate and housing properties held as investments

The Feoffees consider that at all times sufficient funds should be set aside for property repairs consistent with a portfolio that includes a substantial property holding. Funds are set aside for specific properties and in general, the general element not to be less than £100,000.

Future land development

Funds have been set aside so that the Foundation can call upon resources to protect or develop its estate.

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted		Endowment	Total
		Sinking	Other		
	£	funds	funds	£	£
		£	£		
Fund balances are represented by:					
Tangible fixed assets	0	0	0	1,823,800	1,823,800
Investments	1,751,371	761,564	216,708	14,254,912	16,984,555
Net current assets/ (liabilities)	1,429,337	0	11,371	(701,659)	739,049
Liabilities more than one year	0	0	0	(1,997,045)	(1,997,045)
Provisions for liabilities	(487,090)	0	0	0	(487,090)
Net assets at 31 st March 2022	2,693,618	761,564	228,079	13,380,008	17,063,269

Unrealised gains/(losses) included above, and all in respect of investments:

0	581,328	35,311	6,503,851	7,120,490
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Cash balances included in current assets above:

739,811	0	12,104	2,748	754,663
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	0	1,867,085	1,867,085
Investments	1,443,259	682,225	170,857	14,077,598	16,373,939
Net current assets/ (liabilities)	1,347,574	0	11,818	(628,159)	731,233
Liabilities more than one year	0	0	0	(2,196,860)	(2,196,860)
Provisions for liabilities	(313,823)	0	0	0	(313,823)
Net assets at 31 st March 2021	2,477,010	682,225	182,675	13,119,664	16,461,574

Unrealised gains included above, and all in respect of investments:

0	501,989	22,915	6,209,581	6,734,485
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Cash balances included in current assets above:

813,216	0	13,049	76,948	903,213
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		2022	2021
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	129,214	127,323
	Deposit accounts	542,455	617,409
National Westminster Bank Plc	Current account	72,171	72,204
Smith & Williamson Investment Management LLP	Deposit accounts	3,418	27,582
	Income account	7,350	8,640
Gateley Legal	Client account	0	50,000
Cash		55	55
		754,663	903,213

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2022 continued

23. Reconciliation of net movement in funds to net cash flow from operating activities and analysis of change in net debt

	2022	2021
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	601,695	1,734,429
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	(415,548)	(1,313,744)
Dividends, interest and rents from investments	(1,144,436)	(1,063,901)
Decrease in stocks	122	343
Increase in debtors	(196,504)	271,643
Increase in creditors	155,358	(3,962,326)
<i>Net cash provided by (used in) operating activities</i>	<u>(955,760)</u>	<u>(4,290,003)</u>

Analysis of changes in net debt in the year to 31st March 2022

	1st April	Cash flows	Other non-	31st March
	£	£	cash changes	£
			£	
Cash	903,213	(148,550)	0	£754,663
Loans:				
Falling due within one year	(143,686)	141,890	(199,815)	(201,611)
Falling due after more than one year	(2,196,860)	0	199,815	(1,997,045)
Year to 31 st March 2022	<u>(1,437,333)</u>	<u>(6,660)</u>	0	<u>(1,443,993)</u>

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £nil (2021: £nil) and capital expenditure contracted for but not provided amounted to £nil (2021: £nil). Major expenditure contracted for, but not yet provided amounted to £nil (2021: £125,000).

OLD SWINFORD HOSPITAL

England & Wales - Charity number 527116

Accounts

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS

for the year ended 31st March 2021

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021

The Feoffees present their report along with the audited financial statements for Old Swinford Hospital, of Hagley Road, Stourbridge, West Midlands, Registered Charity Number 527116, otherwise called Thomas Foley's Charity, for the year ended 31st March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

COVID-19

Last year we reported on the exceptional circumstances we found ourselves in caused by the coronavirus pandemic with the statutory closure of the School and national lockdown and we set out our response to this and our plans going forward. A year on, we can reflect on a time like no other in our lifetimes, a turbulent and unpredictable year, its challenges and how the charity faced these and managed. We can also share our thoughts on recovery, the needs of our beneficiaries and our plans for going forward and we do this in each of the relevant sections below.

Structure, governance and management

Scheme and constitution

Old Swinford Hospital is governed by the terms of a Charity Commissioners Scheme dated 16th June 1954 ('the Scheme') as amended by:

- Schemes of 2nd July 1986, 26th October 1987, 10th January 1989, 17th December 1997 and 25th November 2004;
- Modification Order of 5th January 2004, and
- Resolutions of 30th September 1999, 13th June 2000, 1st December 2005, 24th September 2009, and 23rd October 2015.

In accordance with the Scheme, 'the Foundation' means Old Swinford Hospital, at Stourbridge, founded by the will of Thomas Foley, made and published in or about the month of January 1671. Neither the Foundation nor the Trustees ('Feoffees') of the Foundation are incorporated.

Feoffees

The trustee body is a clearly identifiable 'simple' structure set up in accordance with the governing document and known as the Feoffees. The governing document provides for three Hereditary Feoffees, being or representing the respective male heirs of the three sons of the Founder, and up to twelve Co-optative Feoffees to be appointed by resolution of the Feoffees subject to there always being sufficient in number to provide the required number of Feoffees to sit on the Governing Body of the School of the Foundation. Co-optative Feoffees, a majority of whom shall be members of the Church of England, are elected for a five-year term, unless they held office at the inception of the Scheme, when they are elected for life. Retiring Feoffees, if eligible, may be re-elected. There are no longer any Feoffees eligible to be elected for life.

Within this remit the strategy for appointment looks to the profile of the body so that it can function to best advantage, due regard being had to skills, time and general ability to attend meetings and events, whether a potential Feoffee is willing, and able, also to be appointed to the Governing Body, the skills requirement of the Governing Body and any other interests which may be either conducive to, or conflict with, the workings of the Foundation.

Induction and training is provided so that:

- Prior to any appointment a potential Feoffee is made aware of the Foundation's purpose and aims, the scope of its remit, its financial position, current issues and the level of personal commitment required;
- Following appointment new Feoffees will be guided by the existing members, and
- Continued training and updates are given through the circulation of papers on relevant current issues and the opportunity to attend Governor and Feoffee training from time to time.

At 31st March nine Feoffees were in office, two being Hereditary Feoffees and seven Co-optative and their names are listed overleaf in the Reference & Administration section of this report.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

During the year:

- At their meeting on 26th June 2020 the Feoffees re-elected Mr D H Higgs as a Co-optative Feoffee for a further five-year term.
- At the same meeting Mr Wilcox was elected Chairman of the Feoffees' meetings for the year, and Mr B R Edwards was elected Vice-Chair.
- Mr C R Edwards resigned as a Feoffee and a Foundation Governor on 10th August 2020. The Feoffees are very grateful for the time he had been able to give to both the Foundation and the School of the Foundation where he had devoted a good deal of time to the work of their various committees.
- At their meeting on 11th December the Feoffees appointed Mr J M Hornby MA FCA as a Co-optative a Feoffee and shortly after the year end, on 26th April, Mr D Taylor was invited to join them likewise.

The School of the Foundation and its Governing Body

The School of the Foundation, also known as Old Swinford Hospital, is a voluntary aided boarding and day school for boys and a day school providing sixth form education for girls. With effect from September 2021 the School will also admit girls as boarders and in the lower school.

The Foundation is not responsible for the running of the School but provides or nominates seven persons to sit as Foundation Governors on the Governing Body. Feoffees sitting on the Governing Body during the year were:

C R Edwards ACMA (resigned 10th August 2020)
P T Foley FCII, MCI Arb, MEWI
R T Foley
P W Mason FCA
M Wilcox FRICS
M J Billingham

Dr R B Guthrie sits on the Governing Body as a Foundation Nominated Governor.

With the resignation of Mr Edwards there is one vacancy for a Foundation Governor. Regulation requires that in nominating Foundation Governors the Feoffees must have regard to the experience and skills required by the Governing Body to provide effective governance. The Feoffees are consulting with the Governing Body as to their skills needs.

In addition, and separately from voluntary aided regulations, Feoffees may be appointed by the Governing Body to sit as Associate Members. None sat as Associate Members at any time during the year.

Organisation

The Foundation is administered by the Feoffees who meet termly or more often if they find they need to do so however:

- Messrs B R Edwards and A J Yeates have delegated authority in respect of bursary awards and other grants to individuals within the annual awards budget agreed by the Feoffees, and
- A Steward is employed to manage the day-to-day business of the trust.

Key management personnel remuneration

All of the Feoffees have an equal part to play in the business of the Foundation. Some tasks however are delegated to one or more of their number and in this respect they consider the Chairman of the Feoffees and the Steward as key management personnel of the Foundation, in charge of directing and running the day-to-day operations of the charity. They also consider those Feoffees sitting as Foundation Governors, along with the Steward who acts as Clerk to the Governing Body, to be key management personnel in providing substantial practical benefit to the School of the Foundation.

All Feoffees give of their time freely to both the Foundation and the School and none receive any remuneration, expenses or benefit.

The pay of the Steward is reviewed annually and normally increases in line with inflation. In assessing the appropriate salary for this role the Feoffees have regard to the diverse nature of the role and the need for a wide range of both skills and knowledge. They take into account the qualifications, skills and experience of the Steward and what she might get paid in other organisations and in particular the pay scales for senior management in the School of the Foundation.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Working through the pandemic

When the Government instructed schools to close on 20th March, followed swiftly by national lockdown, plans were in hand for the relocation of the Foundation office to enable continued and safe-working. There have been times during the year when the usual office has been able to operate safely for our staff and we have done this whilst still retaining the home-based office for those times when it was not.

We had predicted that much of our work could be carried out without the need for face to face interaction with other members of staff, governors, trustees, beneficiaries or advisors and, with the effective use of email, telephone and video-conferencing, our expectation that this flexible approach to our work and delivering our charitable support would be a workable solution was justified. Communicating by videoconferencing became a tool for more than Foundation meetings, it became a means of facilitating discourse and enabling us to be responsive at short notice leading to timely and effective discussion and decision-making.

The advent of lockdown has also opened up a wealth of online learning and webinar briefings which have enabled us to keep up to date with sector developments, market overviews and best practice in modelling outcomes. Both staff and Feoffees have taken advantage of these and we expect to continue to use them where we can as they are an efficient use of time.

We have however missed the times when we could be at the School of the Foundation and interact with events, pupils and staff and we very much look forward to getting back to this.

Risk management

The Feoffees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage those risks and mitigate exposure as far as possible. Their response to the pandemic is included throughout this report however related this, and to the assessment of overall risk, special consideration has been given to:

- Reviewing income streams to identify sensitivities and likely concerns;
- Diversity and spread in investment portfolios to lessen overall volatility;
- Active asset management to maintain the quality of rental properties and to keep voids to a minimum;
- Maintaining reserves levels and the designation of funds for specific purposes;
- Building flexed budgets based on robust assumptions and focussed on planned charitable activity but with the capacity to take on further charitable projects, and
- Forecasting and liquidity to ensure income streams can service the debt.

The Feoffees are satisfied that they continue to manage these risks appropriately.

Governance Code

The Foundation's position in relation to this non-statutory Code has been monitored since the first edition but had not been formally adopted. With the increasing focus on going concern and sustainability the Feoffees felt it was appropriate to consider the strength of the Foundation's governance arrangements at this point and, reading the template in the context of the charity's simplicity of structure and remit, have considered the 2020 update and will look to work within it as far as appropriate, reasonable and practicable to do so.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Reference & Administrative Details

Feoffees:

Hereditary Feoffees:

P T Foley FCII, MCI Arb, MEWI, 1989
R T Foley, 1991

Co-optative Feoffees:

D H Higgs, 1980
M Wilcox FRICS, 1997 (Chairman)
A J Yeates B Pharm, 1998
B R Edwards MBE, BSc, C Eng, 2001 (Vice Chairman)
P W Mason FCA, 2007
M J Billingham, 2009
C R Edwards ACMA, 2016 (resigned 10th August 2020)
J M Hornby MA, FCA, 2020 (appointed 11th December 2020)

Steward:

Mrs B Hirons BA(Hons), BFP, FCA

Headmaster:

P T Kilbride MA (Oxon), NPQH, FRSA

Advisors:

Auditors

Crowe U.K. LLP
Black Country House, Rounds Green Road, Oldbury, B69 2DG

Bankers

HSBC Bank plc
114 High Street, Stourbridge, DY8 1DZ

Solicitor

Burges Salmon LLP
One Glass Wharf, Bristol, BS2 0ZX

Investment Advisors

Smith & Williamson Investment Management LLP
25 Moorgate, London, EC2R 6AY

Residential Letting Agent

Ian Perks Letting Agent
20-22 Hagley Road, Stourbridge, DY8 1QQ

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Objectives and activities for the public benefit

Charitable objects

The Foundation and its endowments are administered in accordance with the provisions of the Scheme to the benefit of the School of the Foundation. Over 350 years ago when Thomas Foley set up and endowed the School of the Foundation his aim was to provide education and entry into a trade for poor but deserving local boys. He was forward thinking enough to see that these philanthropic ideals could benefit the lives of those individuals who came to his school and his principles are as current and relevant today as they were then. The Feoffees uphold the Founder's values but like Thomas Foley each generation of Feoffees, whilst maintaining a wealth of traditional values, has been forward thinking enough not to be afraid to move with the times. Today the School operates in a modern context as a voluntary aided boarding and day school for boys and a day school providing sixth form education for girls within the State education system managed by a Governing Body under the Local Authority, Dudley Metropolitan Borough Council. The Foundation manages the endowment to the benefit of the School.

In setting objectives and planning activities the Feoffees have given careful consideration to the Charity Commission's guidance on public benefit and they are confident that their aims, their activities and their future plans continue to be wholly consistent with the guidance given. They further consider that the School's admission of girls to the lower school and to boarding from September 2021 gives the opportunity to broaden the sections of the public who have access to the benefits of the charity and are working with the Charity Commission on a scheme to enable this.

As a Foundation the Feoffees look to support the School's Governors in meeting the aims they have set for the School and which overridingly look 'to provide an outstanding education, both within and beyond the classroom, which enables pupils to realise and exceed their potential' and above all 'to provide a uniquely stimulating and supportive environment in which all individuals flourish, grow in understanding, self-confidence and self-esteem and are fully equipped to meet the challenges and demands of life beyond school.' To that end the Feoffees look specifically to promote:

- Educational standards and excellence;
- The benefits that can come from a boarding education;
- Rewarding success in all fields, and
- A wide and far reaching programme of extra-curricular activities that add to the overall educational experience.

The Feoffees have put together a package of support measures that aim to ensure that their objectives can be met with successful outcomes resulting in all pupils having the opportunity to benefit from their time at the School. These programmes of support are wide spread, focussing upon individuals, groups and the whole school community. The provision of bursaries, grants to promote excellence in standards of education and welfare awards to enhance the development of the School and its environment are fundamental objects of the trust that seeks to:

- Provide boarding awards for pupils where there is a financial need;
- Encourage excellence;
- Provide some small assistance to those pupils and former pupils of the School who seek to achieve excellence in a goal beyond school and basic further education and who are, in the view of the nominated Feoffees, regarded as exceptional, and
- Work with the Headmaster and the Governing Body to provide such benefits as may be considered desirable for the School and which otherwise would not normally be provided from annual maintenance grants paid under the Education Acts.

The Foundation provides a direct public benefit by making available to the Governing Body the site and buildings comprising Old Swinford Hospital for educational use.

The Feoffees devote a great deal of their time to the School and by acting as school governors. By sitting on working parties and by advising when asked they further enhance their charitable support. In addition, they make available the time of their Steward to provide clerking and other administrative assistance to the School and the Governing Body.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Grant making policy

As a school within the State sector entry is currently open to boys of secondary school age, and both boys and girls in the Sixth Form, who are eligible for a state funded education. From September 2021 it will be open to both boys and girls throughout. Whilst this is a very wide sector of the public the Feoffees are aware that although education is state funded, for those who board, boarding facilities attract a fee. Boarding fees are the remit of the Governing Body not the Foundation and whilst the fee is extremely good value and very competitive there is nevertheless a fee to pay. A package has therefore been developed which looks to support both new and existing pupils in paying boarding fees.

The provision of bursaries is fundamental to the trust however, to be realistic and to ensure the long term future of the support scheme, a number of principles are applied to award applicants including amongst others means testing and boarding need. Bursaries may be granted for existing boarding pupils, existing pupils seeking to come into boarding (and who have been deemed, by the School, to be suitable to board) and children seeking to enter the School (and who have been offered a place at the School and have been deemed, by the School, to be suitable to board). The principal criteria for awarding bursaries to the parents of an existing boarding pupil is that there must have been a clearly identifiable, significant and unforeseen worsening in the financial circumstances of the parents such that they cannot now practicably afford the whole of the boarding fee and that there would be a clear and significant detrimental effect on the pupil's education or development were they no longer to board at the School. For those seeking to come into boarding the pupils' parents must be able to demonstrate that they cannot practicably afford the whole of the boarding fee and that there would be a clear and significant advantage to the pupil's education or development were they to board at the School. Bursaries are a contribution towards boarding fees; except in very exceptional circumstances they do not cover fees in full and in all cases parents will be expected to make every effort to obtain support from other sources, as there must be a realistic chance that the remainder of the boarding fee can be met by the parents or by others.

The Feoffees have been aware of general financial pressures upon families because of economic difficulties in recent years and recognised that the scale of their support to individuals needed to be of meaningful value to make a difference. The current pandemic was expected to, and did, add to this pressure. The practice of providing funds for future support gives assurance that programme funding can be met for all existing bursary pupils until they have completed their GCSE's or, if they are already in the 6th Form, until they have completed their A level or vocational qualifications. The practice of designating funds for bursary support provides comfort that there are also funds available to assist additional pupils, who may or may not already attend the school and it is through these funds that the Foundation is able to assist with grants towards fees for those boarding families who have suffered financially during the pandemic.

If there are more applications than available funding priority will be given to supporting pupils already in the school.

Over the years the Feoffees have worked with the Headmaster and with other like-minded support charities to achieve the best outcome for those who found themselves in need of assistance and they continually review how best to widen their support to enable more pupils to come into the School and who have limited means.

The Foundation accepts the nominations of the Headmaster for awards made from smaller specific funds and consults with him on applications for other grants to individuals including financial assistance to ensure that all pupils are able to participate in academic trips and extracurricular activities and to receive music tuition.

Donations are also made to provide a range of benefits as agreed from time to time between the School and the Feoffees and that would not normally be provided from maintenance grants paid under the Education Acts.

All grants are discretionary but the schemes have been developed so that advantage can be taken of additional funding streams that may be available from other trusts, from the School's Old Boys (the Old Foleyans Association) and from the School itself and which, when combined, can provide a workable support package.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Achievements and performance

This year was challenging for everyone but the Feoffees went into these uncertain times from a position of strength. Prudent management of funds in the past, sound reserves policies, strong levels of liquidity and a balanced investment model placed the Foundation in a good position to continue to meet its charitable purpose in a sustainable and meaningful way. The financial outcomes for the year certainly support sufficiency of funding and funding streams to meet the expectation of fully delivering bursary and support programmes, encouraging excellence in education and contributing to wider projects however the effect of school closure and national lock down substantially changed the extent of, and need for, charitable activity for a significant period and we address all of this in the following sections.

The School of the Foundation

The Government directive for all schools to close on 20th March last year heralded the start of an incredibly disruptive and challenging year in education that saw long periods of time where children learned remotely, were isolated from their friends and lacked social interaction. It saw teachers delivering online tuition and sometimes having to manage to do this from home whilst caring for their own families. It saw a group of staff remaining in school as carers for children of key workers and a team of admin, catering and facilities staff managing the premises and infrastructure to facilitate all of this.

During this time, we continued to support those pupils who needed bursaries and also provided simple small things like modelling kits for example for them to do in their boarding time when normal activities were closed or restricted but there was little practical support we could offer to develop education in this scenario.

What did however become apparent was the value of the governance role in supporting the School's leadership team and the assistance we could give through the time of the Steward in managing during these periods of uncertainty. It also gave us insight into the delivery of education at a distance and the pupils' ability to access this and that has given us focus for what we can do to better facilitate remote or hybrid learning and indeed learning in the classroom which we have now built into our planned programmes.

Bursaries, prizes and welfare

The Feoffees have been able to continue and enhance their support of the boarding awards programme and during the year, despite periods of closure, £226,079 was awarded in, or provided for, bursaries. The increase in bursary funding was approximately 22% by overall value and added more pupils to the scheme, all of which was planned as part of the strategy to offer more long term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees. The bursary programme also drew on designated funds and through these funds the Foundation was able to assist with grants towards fees for those boarding families who have suffered financially during the pandemic and needed extra help. £4,000 was awarded for the Michaelmas term to do this, with more grants planned for the coming academic year.

The practice of providing support packages in conjunction with other funding sources continues to be successful. Assistance remains focussed where it is most needed and where it was best placed to support pupils and to add value to their time at the School so key examination years and 6th form study continue to be primary criteria in assessing applications as do those pupils who would benefit from boarding. The latter still show a need for longer-term support but with the use of funds designated for bursaries the Feoffees are able to offer this support which is much in keeping with the Founder's original intent.

Because of lockdown restrictions and pupils being out of school for a significant proportion of the year, most of the funding available for grants towards activities for example, was not required but it will be used next year to offer opportunities to pupils to do more activities or enable them to further their learning in different ways. Using unrestricted funds available for prizes and awards and in conjunction with the Krukowski maths fund, a grant of £3,836 was made to enable a pupil to attend a prestigious academic summer school to develop specific subject knowledge. The Feoffees were pleased to do this and to help further the pupil's university and career prospects.

The welfare, events and development programmes, which benefit the whole school or much larger groups within the school community, have been similarly affected by school closure however they have continued to provide governor support, purchased a useful cleaning machine and enabled legal advice to be sourced. They have also continued to provide some support for excellence in education and, in a year when preparations for the admissions of girls in September 2021 were key, they have contributed to furniture and fittings for the girls boarding house. It is the expectation that in the first part of the coming year the Foundation will give more

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

support towards making girls welcome in the school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them.

Feoffees were delighted to receive a donation of £550 in the year to help with their charitable objectives, coming from parents of pupils leaving the School and another of £3,000 from the Old Foleyans Association towards bursary support.

The Feoffees continue to make available to the School one of the Foundation's residential investment properties for use as a temporary first aid post and changing facility in connection with the adjacent sports fields; an arrangement that is expected to continue for further playing seasons.

Portfolio development

The Feoffees continue to manage the Foundation's portfolio in a manner that maximises overall return from each element within it and in particular be vigilant for opportunities to enhance potential wherever possible.

Having previously taken professional planning advice, and set aside designated funds to assist in developing parcels of land over the next strategic land review in the borough and other authorities, the Feoffees continue to follow developments in the review process. This is a long-term project; the review is on-going but was further delayed because of the pandemic however, we continue to engage with the process and over the course of the year fees of £10,194 have been met from designated funds. The Feoffees consider it is important to be properly advised and appraised of the progress and outcomes of the review and of the likely impact it may have upon the Foundation's assets and so choose to retain the designated fund balance for the time being.

Financial review

The Statement of Financial Activity on page 18, together with the notes thereon, show the income of the Foundation for the year to 31st March 2021, and how this income has been applied in furtherance of the objects of the Foundation.

The Foundation seeks to continue its work through the careful stewardship of its resources. Some donations are received and for this the Feoffees are most grateful but the Foundation is largely reliant on the income from its investments and property. Income from securities was always expected to be less than the previous year because of the reduction in securities holdings in the prior year but some securities returned less and this too had been anticipated in the forecasts. In the event, it was less of a reduction than envisaged. The remainder of the investment portfolio largely sustained or improved its return. All income due on properties was received and, as a result of rent reviews, showed improvement.

The need to maintain the quality of the Foundation's housing stock held as investment assets to protect both the capital value and the rental stream is ever present and funds have been set-aside for this purpose. The Foundation does not raise funds from the public but it is happy to work with and assist the School to do so if they choose however, no fundraising activity has taken place and no related expenditure was incurred.

The Balance Sheet as shown on page 19, and notes thereon, shows the financial position of each of the Foundation's funds as at 31st March 2021. The Feoffees are satisfied that each of the funds is adequately resourced and no fund is in deficit.

Investment policy and performance

Marketable securities- general portfolio

Investment managers are appointed to advise on marketable securities within the policy laid down by the Feoffees. The policy provides for capital to be invested to preserve the value of capital assets whilst generating income to support the needs of the School of the Foundation, balancing present day spending needs against the increasing demands of the future.

During the year, £706,436 was added to the investment portfolio and invested as advised by the investment manager.

The fair value of securities has recovered steadily over the year from a low point around last year end when markets had pre-empted the effect of the pandemic. Growth in markets generally has been sustained and when compared to a range of indicators the portfolio's return has performed at least in line with their average which was not unexpected given the spread and makeup of the portfolio.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Marketable securities – COIF Charities Investment Fund accumulation units

The Foundation's sinking fund comprising the final recoupment order to replace endowment funds applied in the development of school buildings, and a portion of the endowment, are invested in COIF Charities Investment Fund accumulation units. Over the year, in common with other diversified portfolios the unit price has steadily improved. As these are accumulation units they do not generate an income return.

Marketable securities – COIF Charities Property Fund income units

Trading in COIF Charities Property Fund was suspended early in the year to allow fund managers the opportunity to assess the risks to income and reflective capital values of the assets in the Fund. The property market has been slow to pick up however the risk to income and asset values has become more known and stabilised sufficient for trading to start again. Fund managers had indicated early on that income from these units would fall for a time and over the year their return has been 75% of that previously declared but despite this the income yield was 4.61%. The reduction had been anticipated in the Foundation's forecasts.

Marketable securities – restricted income funds

The investments in these funds comprise a mixture of securities, which are managed by the Foundation's investment managers, and a number of Charifund income units. The holdings are small and are managed so as to produce a good income whilst sustaining the fair value of the investment. Fair values at the balance sheet date reflect the same trends of steady improvement.

Property

The Foundation has a number of investment properties, which generate rental income.

The Foundation's residential letting agent assists with the management of housing stock, which is principally let by way of assured shorthold tenancies. The Steward manages the maintenance and repair of all property. A review of these properties was carried in February 2021 by the Foundation's residential letting agent looking at rental rates and estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. Recommendations for rental uplifts will be implemented as tenancies change or at an appropriate review point as is the usual practice.

Pleasingly rental markets in the residential sector have remained buoyant and void periods are few which is, in part, also due to keeping properties in good repair. Over the year there was a programme of rent reviews, increasing income and keeping expected rents in line with those generally achievable in the market in this locality.

The Foundation has two larger commercial elements to the estate being farmland at Treherns & Racecourse Farms, which are combined into one holding, and the land let to Stourbridge Golf Club Limited. Both of these tenancies have longer-term agreements and are managed by the Steward with advice taken from appropriate agents when required. At the very end of last year, a third was added with the successful acquisition of the site of the former Stourbridge College which adjoins campus of the School of the Foundation. Since then a good deal of time has been spent on bringing the property to a compliant standard and putting it into a condition that will allow it to be let. This has progressed slowly over the lockdown periods and there is still more to do however and funds designated for property maintenance have been boosted by a further £300,000, of which £230,000 was purposely set aside for this property, to ensure that work could be done and accommodation costs incurred. The School of the Foundation has requested a lease on the property to accommodate its planned growth and negotiations are progressing for this to happen. Discussions with interested parties for use of the areas of the property the School may not use, or not use yet, are ongoing.

Loan finance amounting to £2,485,000 was obtained last year from National Westminster Bank Plc, secured on the former College site. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at its cost of £3,550,000. All loan repayments were met during the year and the balance outstanding at 31st March was £2,340,546.

Reserves policy

Unrestricted funds amount to £2,477,010 of which £1,319,132 is freely available.

The Feoffees have determined that presently the appropriate level of free reserves should be at least equivalent to approximately 50% of one year's forecast expenditure from income and any amounts forecast to be transferred from free reserves to designated funds in the following year.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

The level takes into account the various sources of the Foundation's income and its ongoing commitments and specifically:

- The level of reserves has due regard to expenditure related to an entity which holds property as part of its portfolio and at no time should the reserves designated for buildings repair and maintenance be reduced to an unrealistic level;
- In reviewing the reserves base due regard must be had to the expected needs and projects forecast in the School of the Foundation, the assistance which the Foundation might be able to provide to promote the future of the School and in particular the fact that Feoffees would not willingly withdraw bursary support, and
- There should be sufficient flexibility for projects as yet unplanned to be reasonably accommodated.

The Feoffees have designated reserves to ensure that their objectives can be routinely met, that they can be sustained, and that support can remain resilient where there might be short-term fluctuations. The level of designated funds is reviewed and assessed at least annually at the time of reviewing future forecasts. The Feoffees are satisfied that the designated funds are sufficient for their purpose and not excessive when compared to their future expenditure forecasts, and in particular:

- The bursary programme continues to expand as planned and the level of support per pupil has grown as projected;
- The remit of the designated reserve for supporting capital maintenance projects in the School has widened and over time this will increase the rate of uptake of funds, and
- Funds set aside for supporting excellence in education will be spent in the coming year.

On this basis the level of free resources at 31st March 2021 should be at least £610,524. The Feoffees consider the current level of free resources comfortable and affords them the opportunity to explore and support future projects in line with their expectations set out below in their plans for the future.

The Feoffees have considered their reserve policy and level of reserves in the light of the events of this year concluding that it continues to be a prudent approach, that there is sufficient in reserve to support their planned activity and sufficient in reserve to consider further applications for support.

Plans for the future

The School and its community have faced challenges and financial constraints over recent years from funding cuts and increased expectations of what is to be delivered and more recently from the effects of the pandemic, but it remains a strong community and has the self-belief that it has the strength to regrow and restore itself and it will do this in the knowledge that the Foundation is steadfast and resolute in its supporting role. It is this underlying principle that drives the Foundation's programmes to be sustainable yet adaptable and flexible. Their forecasts are built to show how the Foundation can achieve what it plans to do in the short to medium timeframe and these have, in part, been shaped by reflections on what has happened over the year. These plans aim to:

- Ensure the on-going sustainability of programmes of support for bursaries and welfare and continue the initiative of awarding grants for new pupil admissions in conjunction with the School's admissions process;
- Promote excellence in education;
- Continue support for the review of the efficiency and effectiveness of timetabled delivery of the curriculum so as to improve educational outcomes for all pupils;
- Provide support for the entry of girls and day pupils to the lower school, mindful of their welfare and the need to build a school community for all pupils and to create established and sustainable houses for them;
- Support school governance programmes and assist in the provision of training;
- Continue to make available the time of Feoffees' Steward beyond that included in the service level agreement, and
- Offer guidance, through the governance role and wider, in meeting challenges as the School adapts to the 'new normal' and then looks forward to beginning to grow and to welcoming girls from September 2021.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Bursary support remains a priority. In the coming year we hope to see recovery in the economy but we do not expect this to be immediate or full for a while so it is likely that there will be more families needing to apply to the bursary programme. The Feoffees consider they still have sufficient designated funds to enable them to offer more long term support to pupils who would benefit from boarding but who would otherwise not be able to pay boarding fees and that awards considered in conjunction with, but independent of, the School's admissions process is still proving to be a good way of working and is opening the boarding option to more children.

Through their governance role in particular, the Feoffees have learned a lot about the provision of education and the challenges of school leadership in difficult times and in these areas they will look at how their resources and strengths can give support. They will continue in their drive to promote excellence in education and to improve educational outcomes with their ongoing support of the timetable review so as to ensure it is efficient and effective in delivering the curriculum however, something we have all learned during this year, be it in business or at home, is the importance of IT and connectivity and schools are no different in finding this. The challenge of IT provision both for teaching and pupil access over the year persuades the Feoffees that they should also look at the practical means of delivery and access to the curriculum so they will consider how they could support the delivery of teaching, be it remotely, in a hybrid way or in the classroom, the infrastructure needed to support this and the pupils' access to it. Feoffees are confident that their practice of allocating funds for projects yet to be identified so as to inform them what they might allocate if required means that there are resources that can be deployed to do this.

There is no doubt though that the coming year will be a momentous one as the School enters another growth phase and welcomes girls from September 2021. There will be challenges along the way and the Feoffees will offer guidance through their governance role and wider if they are able and look to support projects to promote integration and welfare, the building of a school community for all pupils and to create established and sustainable houses for them.

The impact of COVID-19 and moving ahead

We started the year knowing it would be a difficult one for the School of the Foundation and its community, and that is what it has been and in some respects still is. We went into this period with a strong financial position and a balanced investment model that put us, at a time of uncertainty, in a good position to continue to provide our charitable support.

We had assessed the potential impact of lockdown restrictions as the pandemic took hold, identifying where our income streams might be at risk, acknowledging a likelihood of increased demand for charitable support and identifying funding that could deliver this. Our policy of providing for bursaries ensured that they were sufficiently funded so that all pupils currently receiving awards could continue to be supported until they have completed their current examination courses and our practice of designating funds for applications received during the year meant that there was capacity to assist further should there be identifiable boarding need.

We had examined our reserves and our levels of liquidity, considering that they were at levels sufficient to allow us to manage both delays and reduced income. We had also examined our investment portfolios to identify opportunities for increasing income yielding stocks, if found necessary, but mindful of the need to maintain a balance between income and preserving the value of the endowment. Fortunately this was not an action we needed to take.

We have continued to work remotely and to do this effectively and efficiently from a distance but have also safely returned to our office base at times. Our communication has largely been electronic which was helpful in enabling meetings and conversation when movements were restricted and ensured the safety of all of those attending. Neither management nor delivery of support has suffered through absenteeism but with so limited a number of people involved this may have been the case however, as work patterns begin to return to a more normal routine we plan to consider again how additional and back-up resource can be found to lessen future risk.

As a Foundation we are fortunate to have a dedicated team of people guiding, managing and driving it forward and we are satisfied that our confidence in the Foundation's strengths was and is justified. We have seen markets recovering and the prospects appear to be for the economy to do likewise over a period, however we are not complacent and continue to monitor, take measured steps and preserve the Foundation's strong financial position. Along with everyone else we look forward to daily life returning to normality although it may not be quite as before but as it begins to take form we feel the Foundation is still well placed to move forward with it.

OLD SWINFORD HOSPITAL

Annual Report of the Feoffees for the year ended 31st March 2021 continued

Feoffees' responsibilities in relation to the financial statements

The Feoffees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing the financial statements the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Feoffees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Scheme. They are also responsible for safeguarding the assets of the Foundation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 25th June 2021 and signed on their behalf by

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital

Opinion

We have audited the financial statements of Old Swinford Hospital for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2021 and of 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 14, the Feoffees 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 Feoffees 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 Feoffees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Feoffees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Foundation operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Foundation for fraud. The laws and regulations we considered in this context were Employment legislation, Health and Safety legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Feoffees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

OLD SWINFORD HOSPITAL

Independent Auditor's Report to the Feoffees of Old Swinford Hospital continued

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees 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 Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Black Country House,
Rounds Green Road,
Oldbury,
B69 2DG

25th June 2021

OLD SWINFORD HOSPITAL**Statement of Financial Activity for the year ended 31st March 2021**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income & endowments						
Donations	3	7,896	550	0	8,446	57,410
Charitable activities	4	27,500	0	0	27,500	27,500
Investments & property	5	1,057,751	6,150	0	1,063,901	1,073,452
Other	6	50,500	0	5,288	55,788	68,000
Total income & endowments		1,143,647	6,700	5,288	1,155,635	1,226,362
Expenditure						
<i>Raising funds</i>						
Investment management fees	9	0	0	17,782	17,782	19,725
Property costs	10	309,737	0	0	309,737	211,851
<i>Cost of raising funds</i>		309,737	0	17,782	327,519	231,576
<i>Charitable activities</i>						
Bursaries, prizes & welfare	11	292,608	1,631	0	294,239	589,955
Property costs		0	0	43,553	43,553	66,765
School development & support		53,151	0	0	53,151	59,913
<i>Cost of charitable activities</i>		345,759	1,631	43,553	390,943	716,633
<i>Other expenditure</i>	12	16,488	0	0	16,488	11,166
Total expenditure		671,984	1,631	61,335	734,950	959,375
<i>Net income/(expenditure) before gains/(losses) on investments</i>						
		471,663	5,069	(56,047)	420,685	266,987
Net gains/(losses) on investments	13	0	165,454	1,148,290	1,313,744	25,633
Net income/(expenditure)		471,663	170,523	1,092,243	1,734,429	292,620
Transfers between funds	14	0	0	0	0	0
Net movement in funds		471,663	170,523	1,092,243	1,734,429	292,620
Reconciliation of funds						
Net movement of funds		471,663	170,523	1,092,243	1,734,429	292,620
Total funds brought forward		2,005,347	694,377	12,027,421	14,727,145	14,434,525
Total funds carried forward		2,477,010	864,900	13,119,664	16,461,574	14,727,145

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Balance Sheet as at 31st March 2021**

		Total funds 2021 £	Total funds 2020 £
Fixed assets			
Tangible fixed assets	15	1,867,085	1,910,370
Investments	16	<u>16,373,939</u>	<u>14,356,946</u>
Total fixed assets		18,241,024	16,267,316
Current assets			
Stock		1,324	1,667
Debtors	17	648,311	919,954
Cash at bank and in hand	22	<u>903,213</u>	<u>4,977,286</u>
Total current assets		<u>1,552,848</u>	<u>5,898,907</u>
Liabilities	18		
Creditors: amounts falling due within one year		<u>(821,615)</u>	<u>(4,893,935)</u>
Net current assets/liabilities		731,233	1,004,972
Total assets less current liabilities		<u>18,972,257</u>	<u>17,272,288</u>
Creditors: amounts falling due more than one year		(2,196,860)	(2,345,248)
Provisions for liabilities		<u>(313,823)</u>	<u>(199,895)</u>
Net assets		<u>16,461,574</u>	<u>14,727,145</u>
The funds of the Foundation			
Endowment funds	19	13,119,664	12,027,421
Restricted funds	20	864,900	694,377
Unrestricted funds	21	<u>2,477,010</u>	<u>2,005,347</u>
Total charity funds		<u>16,461,574</u>	<u>14,727,145</u>

Approved by the Feoffees on 25th June 2021 and signed on their behalf by

M Wilcox
Chairman

Notes on and forming part of these financial statements are attached.

OLD SWINFORD HOSPITAL**Statement of Cash Flows for the year ended 31st March 2021**

		31 st March 2021		31 st March 2020	
	Note	£	£	£	£
Cash flows from operating activities:	23				
<i>Net cash provided by/(used in) operating activities</i>			(4,290,003)		2,662,002
<i>Cash flows from investing activities:</i>					
Dividends, interest & rents from investments		1,063,901		1,073,452	
Proceeds from sale of investments		8,176		2,310,234	
Purchase of investments		<u>(711,693)</u>		<u>(4,125,456)</u>	
<i>Net cash provided by/(used in) investing activities</i>			360,384		(741,770)
<i>Cash flows from financing activities:</i>					
Repayments of borrowing		(144,454)		(52,636)	
Cash inflows from new borrowing		<u>0</u>		<u>2,485,000</u>	
<i>Net cash provided by/(used in) financing activities</i>			<u>(144,454)</u>		<u>2,432,364</u>
<i>Change in cash & cash equivalents in the reporting period</i>			(4,074,073)		4,352,596
Cash & cash equivalents at the beginning of the reporting period			<u>4,977,286</u>		<u>624,690</u>
Cash & cash equivalents at the end of the reporting period			<u>903,213</u>		<u>4,977,286</u>
Analysis of cash & cash equivalents					
Cash in hand	22		<u>903,213</u>		<u>4,977,286</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They have been prepared on the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts and accounting policies have been applied consistently throughout this year and the preceding year unless likewise stated in the relevant notes to these accounts.

This time last year the Feoffees were faced with all of the concerns and difficulties that might come with the onset of a global pandemic and undoubtedly covid-19 saw some of these evolve with periods of lockdown constraining industry and waves of uncertainty in economic markets across the world. At a very early stage the Feoffees considered these circumstances in the context of the Foundation concluding that the charity was sufficiently well placed to meet these challenges without casting doubt on its ability to continue as a going concern and in coming to this conclusion due regard was had to the inherent risk attached to investment performance and the expectation that in such a climate these risks might be heightened, investments values less strong and income reduced.

They considered:

- The Foundation's portfolios to be well balanced and placed in good quality investments and as they did not foresee the need to dispose of these assets in the immediate future they did not consider any short term downward fluctuation to be a cause of undue concern, and
- Their prudent reserves policies would assist them to continue their support programmes and to make available some additional support where it was needed.

One year on and these considerations have proved, and continue, to be the case and together with the practice of allocating funds for projects yet to be identified so as to inform Feoffees what they might allocate if required, a strong liquidity position, the identification and assessment of income streams that may be at risk, and flexed forecasting models to test resilience, the charity remains well placed to continue its work in a meaningful way to support the School of the Foundation as it manoeuvres though the same, and its own, challenges.

The Feoffees are not aware of any other material uncertainties that cast significant doubt on the Foundation's ability to continue as a going concern.

Public benefit entity

The Foundation constitutes a public benefit entity as defined by FRS 102.

Funds

(i) The Foundation has a permanent endowment, which was derived from the will of Thomas Foley, made and published, in or about the month of January 1671, to be used in furtherance of the objects of the Foundation. Income arising on the endowment is wholly unrestricted.

(ii) Restricted funds include:

- (a) Funds that are to be used in accordance with instructions imposed by the donor, and
- (b) Sinking funds that provide for the replacement of funds used for authorised capital and other expenditure prior to 2007.

The Foundation has a number of restricted income funds created by legacies and donations that aim to further and support charitable activities by providing for bursaries, prizes and welfare.

The Foundation's sinking funds comprise recoupment orders to replace endowment funds applied in the development of the buildings of the School of the Foundation prior to 2007. By Order annual transfers are made to sinking funds, from unrestricted income, and invested. Income is accumulated. Upon satisfaction sinking funds will be transferred to the endowment at the prevailing valuation.

(iii) Unrestricted funds are those funds available for use in furtherance of the Foundation's charitable objectives and include funds designated, at the Feoffees' discretion, for specific purposes.

(iv) Transfers between Funds are at valuation unless otherwise stated.

Further details of each fund are set out in notes 19-21.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

Income recognition

Income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(i) Donations

Donations are recognised when the Foundation has been notified of both the value and expected date of receipt otherwise they are accounted for on a receipts basis. Incoming resources from associated tax reclaims are included at the same time as the gift to which they relate.

(ii) Investment income

Investment income derived from deposits and securities will normally be recognised on receipt of a statement or payment advice. Where it is derived from a rental agreement it will be recognised in accordance with the payments dates and values in that agreement.

(iii) Taxation

The income of the Foundation is not subject to taxation, save for that deducted at source and irrecoverable. Value added tax is chargeable on eligible taxable supplies and, for property rental, where there is an option to tax.

Expenditure recognition

Expenditure is charged on an accruals basis and liabilities are recognised where there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be requested and the amount of the obligation can be reliably measured.

(i) Grants

Grants made to the School of the Foundation are conditional only on their being used solely for the purpose for which they were intended. They are recognised as expenditure when the School has been notified of the award and its value.

Grants awarded for the bursary and welfare support of individuals connected with the School may have further conditions attached and, to the extent that this is the case, instalments or future payments may be withdrawn if these conditions are not met. Grants for bursary and welfare support are recognised as expenditure when the recipient has been notified of the award and its value. Grants for bursary support are generally given for one academic year (paid termly) however if they are made for more than one academic year the multi-year grant is recognised as expenditure when the recipient has been notified of the award, its term and its value.

Where the Foundation is notified that a condition attached to an award has not been met then any further instalments scheduled will be suspended until a decision is reached as to whether the grant will remain payable or be withdrawn. Until such time as this decision is made the grant is recognised as probably payable.

The granting of any award for bursary support is at the sole discretion of the Feoffees and there is no obligation to continue any support programme for any period beyond that agreed with the recipient however realistically this support will probably continue although the term and value may vary. The Feoffees remain mindful that they would not seek to reduce the assistance they can provide through support programmes wherever possible, as this would probably be to the detriment of the recipient's education and which would most likely be interrupted. To reduce this risk provision is made for continuing bursary support beyond any agreed and notified awards where there are reasonable grounds to assume that circumstances will require it to be continued and that the applicant is likely to qualify for further support. The value of any award is at the discretion of the Feoffees and so for the purpose of establishing the value of any such provision the current rate is used unless the Feoffees are aware of any factors which would influence the value of the award in which case these will be applied in making a judgement as to the value of the provision.

(ii) Allocation of support costs and governance

Excepting investment management fees, which are charged to endowment funds, all other costs are charged against unrestricted income. That part which might be charged against restricted funds is considered too small a proportion to reasonably calculate and apportion.

Wherever possible expenditure is allocated to the activity to which it relates. The Foundation incurs little in the way of general running and overhead costs, being administered by the Steward out of one office within the school. Support costs comprise principally staff costs, office costs and meetings costs and are allocated based on an estimate of time spent. The basis of allocation is set out in note 7.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

The costs of compliance with regulation and good practice, including statutory audit fees, trustee indemnity insurance and legal fees relating to governance, together with an apportionment of support costs are disclosed as other expenditure. They neither relate to raising funds nor are they related to expenditure on charitable activities. Other expenditure is detailed in note 12 to the accounts.

(iii) Taxation

Value added tax is recoverable to the extent it is associated with an eligible taxable supply and, for properties, where there is an option to tax. Irrecoverable value added tax is charged against the category of expenditure to which it relates.

Fixed assets

(i) Tangible fixed assets and depreciation

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation.

Expenditure on additions and major capital improvements are capitalised but contributions to school and other property repairs are charged against revenue or funds set-aside for that purpose.

Tangible fixed assets are included at cost net of grants receivable by the Foundation and, excluding freehold land, depreciated on a straight-line basis at 2% per annum.

(ii) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the following methods:

- (a) Investments on a recognised stock market are valued at quoted market values at the balance sheet date.
- (b) Investments in land and buildings are included at a valuation calculated by reference to rental income capitalised at an expected average rate of return for that type of property in continued existing use.
- (c) Investment assets designated for the time being for the Foundation's own use are carried at cost and, excluding freehold land, are depreciated on a straight-line basis at 2% per annum.
- (d) Upon completion of the recoupment period for recoupment orders making up the Foundation's sinking funds the investment in the fund is transferred to the endowment at market value at the date of completion of the order.

Any exceptions in applying the valuation methods are set out in the relevant notes to these accounts.

The Statement of Financial Activity includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if they have been purchased during the year. Unrealised gains and losses are calculated as the difference between the fair value at the yearend (as described above) and their opening carrying value or their purchase value if they have been purchased during the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising 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. They are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and these are initially recognised at transaction value and are subsequently measured at their settlement value. Financial assets comprise investment in securities, debtors and cash balances and financial liabilities comprise creditors, provisions and bank loans. All of these are detailed in the notes to the accounts.

Stocks of sundry stores

Stocks of sundry stores are valued at their cost net of any deduction for impairment.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

2. Trustees' expenses and remuneration

Feoffees give of their time freely and willingly to both the Foundation and the School and no remuneration or expenses were paid in the year, neither did any Feoffee, or person connected with a Feoffee, receive any benefit from the Foundation.

3. Donations

	Unrestricted funds		Restricted funds	
	2021	2020	2021	2020
	£		£	
Prize fund and bursary donations	3,000	0	550	9,442
General donations	4,896	47,968	0	0
	<u>7,896</u>	<u>47,968</u>	<u>550</u>	<u>9,442</u>

4. Income from charitable activities

	2021	2020
	£	£
Provision of clerking and other administrative assistance to the School of the Foundation and its Governing Body	<u>27,500</u>	<u>27,500</u>

5. Investment & property income

	Unrestricted funds		Restricted funds	
	2021	2020	2021	2020
	£		£	
Marketable securities – listed in the UK	89,446	116,858	6,150	7,575
Marketable securities – listed outside the UK	3,523	5,011	0	0
	<u>92,969</u>	<u>121,869</u>	<u>6,150</u>	<u>7,575</u>
Property	964,612	941,086	0	0
Bank & other interest	170	2,922	0	0
	<u>1,057,751</u>	<u>1,065,877</u>	<u>6,150</u>	<u>7,575</u>

6. Other income

	2021	2020
	£	£
Wayleaves	500	500
Facilities fee	50,000	50,000
Release of covenant	0	17,500
Easement	5,288	0
	<u>55,788</u>	<u>68,000</u>

7. Allocation of support costs

	Cost of raising funds	Charitable activities	Governance	Total allocated
	£	£	£	£
Staff costs	18,130	6,043	6,043	30,216
Office services, meetings costs and general consumables	2,672	891	891	4,454
Year to 31 st March 2021	<u>20,802</u>	<u>6,934</u>	<u>6,934</u>	<u>34,670</u>
Staff costs	14,251	7,125	2,375	23,751
Office services, meetings costs and general consumables	1,902	951	317	3,170
Year to 31 st March 2020	<u>16,153</u>	<u>8,076</u>	<u>2,692</u>	<u>26,921</u>

Support costs have been apportioned between the cost of raising funds, charitable activity (excluding the provision of clerking and other administrative assistance) and governance based on an estimate of staff time being 60%, 20% and 20% respectively (2020: 60%, 30% and 10%). The provision of clerking and other administrative assistance absorbs a significant number of the available hours and the staff cost of providing this is allocated to that activity. No additional support costs have been added.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

8. Staff costs and remuneration of key personnel

In accordance with the provisions of the Scheme, the Feoffees continue to employ one person as Steward; a role they consider a key management position. On behalf of the Foundation the Steward also provides clerking and other administrative assistance to the School of the Foundation and its Governing Body.

No remuneration, expenses or benefits were paid to the Feoffees during the year (2020 £nil).

Staff costs amounted to £83,367 (2020 £83,283) and included social security costs of £4,517 (2020: £5,401) and pension contributions of £8,345 (2020: £8,377). The Steward's emoluments fall into the bracket £70,000 - £80,000 (2020: £60,000-£70,000).

9. Investment management fees

	2021	2020
	£	£
Investment management fees	17,782	19,725

Investment management fees are those fees charged by fund managers for the management and administration of the Foundation's portfolio of marketable securities. The entire fee is charged to endowment funds although a very small proportion is in respect of marketable securities held in restricted income funds. That part which might be charged against restricted funds is not significant amounting to approximately 1% of the fee.

10. Property costs

	2021	2020
	£	£
Property maintenance	96,731	49,641
Property running costs	75,115	0
Other property costs	1,749	1,140
Insurance	25,736	3,185
Loan interest	52,205	0
Letting & other professional fees	37,399	141,732
Support costs	20,802	16,153
	<u>309,737</u>	<u>211,851</u>

11. Charitable activities

		2021	2020
		£	£
Bursaries, prizes & welfare from unrestricted funds			
Provision of bursaries & prizes:	Bursaries	226,079	182,842
	Prizes	2,836	0
	Foundation awards	0	780
	Scholarship awards	0	1,966
Provision of welfare requests:	Welfare	9,932	5,435
	School Fund	25	25
	Supporting excellence in education	42,302	381,818
	Hospitality & functions	0	508
Other donations:	Donation to St Mary's Church	4,500	4,500
		<u>285,674</u>	<u>577,874</u>
Bursaries, prizes & other support from restricted funds			
Bursaries & welfare support		1,000	4,400
Prizes		0	0
Donation to Old Foleyans Association		631	817
		<u>1,631</u>	<u>5,217</u>
Total expenditure on bursaries, prizes & welfare		<u>287,305</u>	<u>583,091</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

Charitable activities (continued)

	2021	2020
	£	£
Property costs		
School maintenance projects from unrestricted funds	0	22,000
Depreciation from endowment funds	43,553	43,553
Total expenditure on property	<u>43,553</u>	<u>65,553</u>
School development & support		
Interest payments on borrowed funds to support the costs of expansion	0	381
Provision of clerking and other administrative assistance	53,151	59,532
Total expenditure on school development & support	<u>53,151</u>	<u>59,913</u>
Summary of expenditure on charitable activities:		
Bursaries, prizes & welfare	287,305	583,091
Property costs	43,553	65,553
School development & support	53,151	59,913
Support Costs	6,934	8,076
	<u>390,943</u>	<u>716,633</u>

The Foundation awarded grants to a number of individuals, to the School of the Foundation and organisations directly and closely associated with the School of the Foundation. Individuals receiving grants are all members, or former members, of the School community.

Bursary awards were made to 32 individuals (2020: 27) to assist with the payment of boarding fees for pupils at the School of the Foundation. A further grant of £3,836 was made to assist with the payment of summer school fees. Bursaries and prizes from restricted funds are principally academic, achievement or welfare awards made to individuals attending or associated with the School of the Foundation.

Welfare requests are grants to the School of the Foundation.

A donation is made to St Mary's Church, Old Swinford, for the use of the church for services throughout the year by the School of the Foundation and in lieu of collection from the pupils of the School.

Depreciation is charged on tangible fixed assets and investment assets designated for the Foundation's own use, excluding freehold land.

Support costs have been allocated in accordance with note 7 as follows:

	Charitable activity	Support costs	Total
	£	£	£
Bursaries, prizes and welfare	287,305	6,934	294,239
Property costs	43,553	0	43,553
School development & support	53,151	0	53,151
Year to 31 st March 2021	<u>384,009</u>	<u>6,934</u>	<u>390,943</u>
Bursaries, prizes and welfare	583,091	6,864	589,955
Property costs	65,553	1,212	66,765
School development & support	59,913	0	59,913
Year to 31 st March 2020	<u>708,557</u>	<u>8,076</u>	<u>716,633</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

12. Other expenditure

	2021	2020
	£	£
Support costs	6,934	2,692
Audit fees	7,520	6,850
Indemnity insurance	2,034	1,624
	<u>16,488</u>	<u>11,166</u>

The auditors' remuneration was solely in respect of audit fees paid and payable to Crowe U.K. LLP.

13. Net gains/(losses) on investments

	Restricted funds	Endowment funds	Total 2021	Total 2020
	£	£	£	£
Gains/(losses) on:				
Disposal of marketable securities	(24)	(602)	(626)	154,892
	<u>(24)</u>	<u>(602)</u>	<u>(626)</u>	<u>154,892</u>
Unrealised gains/(losses) on:				
Estate property	0	31,477	31,477	65,770
Housing property	0	125,219	125,219	61,667
Marketable securities	165,478	992,196	1,157,674	(256,696)
	<u>165,478</u>	<u>1,148,892</u>	<u>1,314,370</u>	<u>(129,259)</u>
Total gains/(losses)	<u>165,454</u>	<u>1,148,290</u>	<u>1,313,744</u>	<u>25,633</u>

14. Transfer between funds

There were no transfers between funds in the year to 31st March 2021 nor in the year to 31st March 2020.

Within unrestricted income funds amounts were transferred to designated funds for purposes as follows:

- (a) £300,000 (2020: £370,000) for estate and housing costs and maintenance;
- (b) £15,000 (2020: £20,000) for contributions to school maintenance;
- (c) £4,871 (2020: £47,943) to support excellence in education, and
- (d) £303,000 (2020: £150,000) for bursary and scholarship awards.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

15. Tangible fixed assets

	Freehold		Total	Total
	Land	Buildings	2021	2020
	£	£	£	£
Cost or valuation:				
At 1 st April and 31 st March	387,119	2,164,243	2,551,362	2,551,362
Depreciation:				
At 1 st April	0	640,992	640,992	597,707
Charged in the year	0	43,285	43,285	43,285
At 31 st March	0	684,277	684,277	640,992
Net book value at 31st March	387,119	1,479,966	1,867,085	1,910,370

Tangible fixed assets are assets for the Foundation's own use and comprise the land and buildings making up the site of the School of the Foundation. They are included in the financial statements at a valuation of 1st January 1950 plus the cost of additions since that date, net of grants receivable by the Foundation. Depreciation is charged against buildings at 2% per annum on a straight-line basis.

16. Investments

	Freehold estate	Freehold housing	Leasehold housing	Marketable securities	COIF Units	Total 2021	Total 2020
	£	£	£	£	£	£	£
Cost or valuation:							
At 1 st April	5,731,354	2,894,669	1,418,894	2,360,009	1,957,116	14,362,042	12,521,187
Additions at cost	0	0	0	711,693	0	711,693	4,125,456
Disposals at opening book value	0	0	0	(8,802)	0	(8,802)	(2,155,342)
Net revaluation gains/(losses) in year	31,477	57,000	68,219	721,559	436,115	1,314,370	(129,259)
At 31 st March	5,762,831	2,951,669	1,487,113	3,784,459	2,393,231	16,379,303	14,362,042
Cost or prior valuation at 31 st March	3,922,733	1,166,412	1,280,167	1,995,725	1,279,781	9,644,818	8,941,750
Depreciation:							
At 1 st April	0	(5,096)	0			(5,096)	(4,828)
Charged in the year	0	(268)	0			(268)	(268)
At 31 st March	0	(5,364)	0			(5,364)	(5,096)
Net book value at 31st March	5,762,831	2,956,305	1,487,113	3,784,459	2,393,231	16,383,939	14,356,946
Analysis of value by fund:							
Unrestricted funds	0	0	0	1,443,259	0	1,443,259	1,384,088
Restricted funds	0	0	0	170,857	682,225	853,082	685,755
Endowment funds	5,762,831	2,946,305	1,487,113	2,170,343	1,711,006	14,077,598	12,287,103
	5,762,831	2,946,305	1,487,113	3,784,459	2,393,231	16,373,939	14,356,946

All investments are carried at their fair value, which has been determined for each class of asset as set out next.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

Property

As a general rule the fair value of investment property has been calculated with reference to rental income generated on each property capitalised at an expected average rate of return for that type of property in continued existing use. The Feoffees consider the basis adopted to be reasonable, fair and realistic and to reflect the use of the asset.

Where this basis is used the resultant values are compared to market values or approximations, in so far available, and values reduced to the extent that they may be higher than market value.

A review of residential rental values was carried in February 2021 by Mr I J Perks FNAEA. The review also reported on estimates of market value, based on vacant possession, so as to ensure that properties are not carried above this. No properties (2020: nine) have a calculated value in excess of their recommended market value.

Where capitalising rental would give an unrealistic valuation or where there is no rental to base a valuation upon for example, the fair value of each property is separately assessed in the context of its use or intended use. This has been applied as follows:

- On small sites which return rental for telephone masts, the land is included at cost if known or a reasonably nominal value otherwise.
- The freehold underlying the Foundation's leasehold properties plus eight owned by others and the surrounding amenity space, which was acquired in two parts over 2013-2015, stands at cost. The purchase of the freehold was advised by Mr A Herbert FRICS MARLA IRRV(Hons) of Pennycuik Collins, Chartered Surveyors. Ground rental is insignificant and an unsuitable valuation base for this holding. Given the remaining lease term the Feoffees consider cost to be an appropriate fair value. The owned leaseholds and their associated freehold remain separate and have been valued as such.
- Freehold land made available to the School for sports fields has been included at a valuation of £190,000 based on the site, undeveloped, but with the benefit of planning consent and vacant possession. Full development costs have not been capitalised. The Feoffees consider the valuation, prepared in February 2010 by Sellers, Chartered Surveyors, to be reasonable for valuation purposes and in its present use.
- Treherns Farmhouse has been made temporarily available to the School for use as a first aid post and changing room in connection with the sports fields adjacent to it. Until November 2015 the property was rented out as a residential property. Its value based on the principle of capitalised rental was £130,000. This compares to an estimated market value of £540,000. As the property is not currently available for sale or alternative use the Feoffees have elected to retain the value previously adopted until such time as the future use of the farmhouse is determined.
- Hanbury Hill House is made available for the School for teaching purposes and no rent is charged. It is included at cost less depreciation charged at 2% per annum on a straight-line basis.
- The recent acquisition of the site of the former Stourbridge College is included at cost.

Securities

The Foundation's nominated investment advisors, Smith & Williamson Investment Management LLP, establish the fair value of marketable securities using readily available market prices. The composition of the portfolio is as advised by them and the Feoffees accept this advice, considering the result to be a well balanced portfolio, allowing both capital growth and income at acceptable and appropriate levels.

Restricted income funds also include investments in M&G Charifund income units. The fair value of these is established by reference to the quoted rates published by M&G Investments.

The fair value of investment in COIF Charities Investment Fund accumulation units is established by reference to rates published by CCLA as is the value of investment in COIF Property Fund units.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

The Feoffees consider that generally, individual holdings with a valuation in excess of 5% of the total portfolio value are material. They also consider the land comprising Treherns & Racecourse Farms and the Stourbridge Golf course to be significant although their valuation is less than 5% of the total portfolio.

As at 31st March the following material investments were held:

	2021	2020
	£	£
Holdings valued above 5%:		
Site of former Stourbridge College	3,550,000	3,550,000
COIF Charities Investment Fund accumulation units	2,246,182	1,806,745
Other significant holdings:	5,796,182	5,356,745
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<u>6,953,018</u>	<u>6,513,581</u>

At 31st March 2021 marketable securities includes £186,388 (2020: £99,736) of investment assets outside of the UK.

17. Debtors

	2021	2020
	£	£
Taxation recoverable	11,935	724,916
Rental income and licence fees due	2,810	530
Debtors, prepayments and accrued income	633,566	194,508
	<u>648,311</u>	<u>919,954</u>

18. Liabilities

	2021	2020
	£	£
Creditors: amounts falling due within one year:		
Rentals received in advance	20,696	21,233
Rental deposits held	778	800
Bursaries, prizes and welfare	55,293	42,890
Expansion capital contributions	498,058	498,058
Due on completion of property purchase	50,000	4,082,500
Creditors and accrued fees	53,104	108,702
Bank loan	143,686	139,752
	<u>821,615</u>	<u>4,893,935</u>
Creditors: amounts falling due more than one year:		
Bank loan	2,196,860	2,345,248
	<u>2,196,860</u>	<u>2,345,248</u>
Provisions for liabilities		
Provisions for bursary support brought forward	199,895	139,575
Allocated to bursary awards	(78,984)	(69,240)
Additional provision	192,912	129,560
Provision for bursary support carried forward	<u>313,823</u>	<u>199,895</u>
Provisions for awards expected within one year	125,093	78,984
Provisions for awards expected in more than one year	188,730	120,911
	<u>313,823</u>	<u>199,895</u>

The movement in provisions for bursary support is the net increase/(decrease) in provision after a reassessment of expected future costs to maintain current bursary awards.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

On 31st March 2020 the Feoffees entered into a term loan with National Westminster Bank Plc for the sum of £2,485,000 to facilitate the acquisition of the former Stourbridge College site and on which the loan is secured. The loan is repayable over fifteen years from April 2020. Lump sum repayments can be made at any time without penalty. The property is valued in these accounts at its cost of £3,550,000.

19. Endowment funds

	Balance 1st April	Movement in funds			Balance 31st March
		Income	Expenditure	Gains & losses	
	£	£	£	£	£
Permanent endowment fund					
Year to 31 st March 2021	12,027,421	5,288	(61,335)	1,148,290	13,119,664
Year to 31 st March 2020	12,008,330	17,500	(63,278)	64,869	12,027,421

Permanent endowment funds are those funds derived from the will of Thomas Foley the income from which is used in furtherance of the objects of the Foundation.

20. Restricted funds

	Balance 1st April	Movement in funds			Balance 31st March
		Income	Expenditure	Gains & losses	
	£	£	£	£	£
Sinking funds	548,756	0	0	133,469	682,225
D T Plant fund	25,512	0	0	5,578	31,090
Williams-Thomas bursary fund	12,491	646	0	2,773	15,910
Don Williams prize fund	12,233	589	0	2,528	15,350
Kieran Duffy memorial fund	28,261	1,466	0	6,293	36,020
Parents' Association fund	2,445	114	0	491	3,050
Krukowski maths fund	9,107	442	(1,000)	1,899	10,448
William Cooper bursary fund	5,906	296	0	1,272	7,474
Parents' bursary fund	30,021	2,115	0	6,721	38,857
Owen Evans fund	7,947	401	0	1,721	10,069
Dyson fund	11,698	631	(631)	2,709	14,407
Year to 31 st March 2021	694,377	6,700	(1,631)	165,454	864,900
Prior Year balances					
Sinking funds	549,004	0	0	(248)	548,756
D T Plant fund	31,429	0	0	(5,917)	25,512
Williams-Thomas bursary fund	15,796	836	(700)	(3,441)	12,491
Don Williams prize fund	14,607	762	0	(3,136)	12,233
Kieran Duffy memorial fund	35,669	1,801	(1,500)	166	35,669
Parents' Association fund	2,789	136	0	(19)	2,906
Krukowski maths fund	10,550	543	(250)	47	10,890
William Cooper bursary fund	7,679	367	(750)	54	7,350
Parents' bursary fund	26,265	4,733	(1,500)	(8,650)	30,021
Owen Evans fund	10,013	519	(450)	(2,135)	7,947
Dyson fund	15,059	817	(817)	(3,361)	11,698
Year to 31 st March 2020	721,813	17,017	(5,217)	(39,236)	694,377

Sinking funds provide for the replacement of funds used for authorised capital and other expenditure and dated prior to 2007. At 31st March there was one remaining recoupment orders dated before 2007 on which the annual transfers have been paid up to the end of the term. Income is accumulated and on maturity funds will be transferred to the endowment at their prevailing valuation.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

The D T Plant fund, created by legacy, provides income directly payable to the Old Foleyans Association.

The Williams-Thomas bursary fund, created by legacy, pays income to support pupils at the School.

The Don Williams prize fund, created by legacy, pays income towards providing prizes for academic achievement.

The Kieran Duffy memorial fund, created by donations in memory of an ex-pupil killed in a flying accident during the Gulf War, provides income to support pupils at the School.

The Parents' Association fund allows for both income and capital to be applied in support of the activities of the Parents' Association.

The Krukowski maths fund, created by donation, pays income for a grant to be given to a pupil going on to study mathematics at university and nominated by the Headmaster.

The William Cooper bursary fund, created by legacy, allows for both income and capital to be used at the discretion of the Feoffees to support pupils at the School.

The Parents' bursary fund, created by donations from parents, allows for both income and capital to be used at the discretion of the Feoffees to assist any needy pupil at the School.

The Owen Evans fund, created by donation, pays income to support pupils at the School.

The Dyson fund, created by legacy, is for the benefit of the Old Foleyans Association.

21. Unrestricted funds

	Balance 1st April £	Movement in funds			Balance 31st March £
		Income £	Expenditure £	Transfers £	
Income funds	1,019,919	1,143,647	(221,563)	(622,871)	1,319,132
Designated funds:					
Bursary & Welfare fund	107,638	0	(226,079)	303,000	184,559
School property maintenance fund	38,717	0	0	15,000	53,717
Investment property maintenance fund	532,379	0	(171,846)	300,000	660,533
Land development fund	258,751	0	(10,194)	0	248,557
Excellence in Education	47,943	0	(42,302)	4,871	10,512
Year to 31 st March 2021	<u>2,005,347</u>	<u>1,143,647</u>	<u>(671,984)</u>	<u>0</u>	<u>2,477,010</u>
Prior Year balances					
Income funds	1,016,050	1,191,845	(600,033)	(587,943)	1,019,919
Designated funds:					
Bursary & Welfare fund	143,225	0	(185,587)	150,000	107,638
School property maintenance fund	40,717	0	(22,000)	20,000	38,717
Investment property maintenance fund	212,021	0	(49,642)	370,000	532,379
Land development fund	260,251	0	(1,500)	0	258,751
Excellence in Education	32,118	0	(32,118)	47,943	47,943
Year to 31 st March 2020	<u>1,704,382</u>	<u>1,191,845</u>	<u>(890,880)</u>	<u>0</u>	<u>2,005,347</u>

Unrestricted funds include funds set aside by the Feoffees out of unrestricted income funds for the purpose of:

Providing for bursary and welfare support

The Feoffees consider that a working capital base should be provided to support applications for bursary and welfare grants, which are made on an 'as needs' basis.

Providing for contributions to capital expenditure and repair of school property

A working capital base is maintained so that the Foundation can assist the Governing Body by providing grants from time to time to assist with capital projects and repairs.

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

Attending to maintenance on estate and housing properties held as investments

The Feoffees consider that at all times sufficient funds should be set aside for property repairs consistent with a portfolio that includes a substantial property holding. Funds are set aside for specific properties and in general, the general element not to be less than £100,000.

Future land development

Funds have been set aside so that the Foundation can call upon resources to protect or develop its estate.

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted		Endowment	Total
		Sinking	Other		
	£	funds	funds	£	£
		£	£		
Fund balances are represented by:					
Tangible fixed assets	0	0	0	1,867,085	1,867,085
Investments	1,443,259	682,225	170,857	14,077,598	16,373,939
Net current assets/ (liabilities)	1,347,574	0	11,818	(628,159)	731,233
Liabilities more than one year	0	0	0	(2,196,860)	(2,196,860)
Provisions for liabilities	(313,823)	0	0	0	(313,823)
Net assets at 31 st March 2021	<u>2,477,010</u>	<u>682,225</u>	<u>182,675</u>	<u>13,119,664</u>	<u>16,461,574</u>

Unrealised gains/(losses) included above, and all in respect of investments:

	<u>0</u>	<u>501,989</u>	<u>22,915</u>	<u>6,209,581</u>	<u>6,734,485</u>
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Cash balances included in current assets above:

	<u>813,216</u>	<u>0</u>	<u>13,049</u>	<u>76,948</u>	<u>903,213</u>
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	0	1,910,370	1,910,370
Investments	1,384,088	548,756	136,999	12,287,103	14,356,946
Net current assets/ (liabilities)	821,154	0	8,622	175,196	1,004,972
Liabilities more than one year	0	0	0	(2,345,248)	(2,345,248)
Provisions for liabilities	(199,895)	0	0	0	(199,895)
Net assets at 31 st March 2020	<u>2,005,347</u>	<u>548,756</u>	<u>145,621</u>	<u>12,027,421</u>	<u>14,727,145</u>

Unrealised gains included above, and all in respect of investments:

	<u>0</u>	<u>368,520</u>	<u>(9,093)</u>	<u>5,060,865</u>	<u>5,420,292</u>
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Cash balances included in current assets above:

	<u>781,741</u>	<u>0</u>	<u>10,037</u>	<u>4,185,508</u>	<u>4,977,286</u>
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		2021	2020
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	127,323	363,331
	Deposit accounts	617,409	320,677
National Westminster Bank Plc	Current account	72,204	99,977
Smith & Williamson Investment Management LLP	Deposit accounts	27,582	78,014
	Income account	8,640	5,215
Gateley Legal	Client account	50,000	4,110,000
Cash		55	72
		<u>903,213</u>	<u>4,977,286</u>

OLD SWINFORD HOSPITAL

Notes to the Financial Statements for the year ended 31st March 2021 continued

23. Reconciliation of net movement in funds to net cash flow from operating activities and analysis of change in net debt

	2021	2020
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	1,734,429	292,620
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	(1,313,744)	(25,633)
Dividends, interest and rents from investments	(1,063,901)	(1,073,452)
Decrease in stocks	343	28
Decrease in debtors	271,643	(809,042)
(Decrease)/increase in creditors	(3,962,326)	4,233,928
<i>Net cash provided by (used in) operating activities</i>	<u>(4,290,003)</u>	<u>2,662,002</u>

Analysis of changes in net debt in the year to 31st March 2021

	1st April	Cash flows	Other non-	31st March
	£	£	cash changes	£
			£	
Cash	4,977,286	(4,074,074)	0	£903,212
Loans:				
Falling due within one year	(139,752)	144,454	(148,388)	(143,686)
Falling due after more than one year	(2,345,248)	0	148,388	(2,196,860)
Year to 31 st March 2021	<u>2,492,286</u>	<u>(4,218,528)</u>	0	1,437,334

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £nil (2020: £nil) and capital expenditure contracted for but not provided amounted to £nil (2020: £nil). Major expenditure contracted for, but not yet provided amounted to £125,000 (2020: £nil).