

**OLD SWINFORD HOSPITAL**

**Stourbridge**

**West Midlands**

**Registered Charity Number: 527116**

**ANNUAL REPORT and FINANCIAL STATEMENTS**

**for the year ended 31<sup>st</sup> March 2021**

## **OLD SWINFORD HOSPITAL**

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## **OLD SWINFORD HOSPITAL**

### **Annual Report of the Feoffees for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 16<sup>th</sup> June 1954 ('the Scheme') as amended by:

- Schemes of 2<sup>nd</sup> July 1986, 26<sup>th</sup> October 1987, 10<sup>th</sup> January 1989, 17<sup>th</sup> December 1997 and 25<sup>th</sup> November 2004;
- Modification Order of 5<sup>th</sup> January 2004, and
- Resolutions of 30<sup>th</sup> September 1999, 13<sup>th</sup> June 2000, 1<sup>st</sup> December 2005, 24<sup>th</sup> September 2009, and 23<sup>rd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2021 continued**

During the year:

- At their meeting on 26<sup>th</sup> 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 10<sup>th</sup> 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 11<sup>th</sup> December the Feoffees appointed Mr J M Hornby MA FCA as a Co-optative a Feoffee and shortly after the year end, on 26<sup>th</sup> 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 10<sup>th</sup> 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 31<sup>st</sup> March 2021 continued**

#### ***Working through the pandemic***

When the Government instructed schools to close on 20<sup>th</sup> 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 31<sup>st</sup> March 2021 continued**

#### **Reference & Administrative Details**

<b>Feoffees:</b>	<b>Hereditary Feoffees:</b> P T Foley FCII, MCI Arb, MEWI, 1989 R T Foley, 1991  <b>Co-optative Feoffees:</b> 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 10 <sup>th</sup> August 2020) J M Hornby MA, FCA, 2020 (appointed 11 <sup>th</sup> December 2020)
<b>Steward:</b>	Mrs B Hirons BA(Hons), BFP, FCA
<b>Headmaster:</b>	P T Kilbride MA (Oxon), NPQH, FRSA
<b>Advisors:</b>	<b>Auditors</b> Crowe U.K. LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG  <b>Bankers</b> HSBC Bank plc 114 High Street, Stourbridge, DY8 1DZ  <b>Solicitor</b> Burgess Salmon LLP One Glass Wharf, Bristol, BS2 0ZX  <b>Investment Advisors</b> Smith & Williamson Investment Management LLP 25 Moorgate, London, EC2R 6AY  <b>Residential Letting Agent</b> Ian Perks Letting Agent 20-22 Hagley Road, Stourbridge, DY8 1QQ

## **OLD SWINFORD HOSPITAL**

### **Annual Report of the Feoffees for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 6<sup>th</sup> 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 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 31<sup>st</sup> 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 20<sup>th</sup> 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 6<sup>th</sup> 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 31<sup>st</sup> 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 Foleys 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 Treherms & 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 25<sup>th</sup> 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](http://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

**25<sup>th</sup> June 2021**

**OLD SWINFORD HOSPITAL****Statement of Financial Activity for the year ended 31<sup>st</sup> March 2021**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<b>Income &amp; endowments</b>						
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
<b>Total income &amp; endowments</b>		<b>1,143,647</b>	<b>6,700</b>	<b>5,288</b>	<b>1,155,635</b>	<b>1,226,362</b>
<b>Expenditure</b>						
<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>	11					
Bursaries, prizes & welfare		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
<b>Total expenditure</b>		<b>671,984</b>	<b>1,631</b>	<b>61,335</b>	<b>734,950</b>	<b>959,375</b>
<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
<b>Net income/(expenditure)</b>		<b>471,663</b>	<b>170,523</b>	<b>1,092,243</b>	<b>1,734,429</b>	<b>292,620</b>
Transfers between funds	14	0	0	0	0	0
<b>Net movement in funds</b>		<b>471,663</b>	<b>170,523</b>	<b>1,092,243</b>	<b>1,734,429</b>	<b>292,620</b>
<b>Reconciliation of funds</b>						
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
<b>Total funds carried forward</b>		<b>2,477,010</b>	<b>864,900</b>	<b>13,119,664</b>	<b>16,461,574</b>	<b>14,727,145</b>

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

**OLD SWINFORD HOSPITAL****Balance Sheet as at 31<sup>st</sup> March 2021**

		<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Tangible fixed assets	<b>15</b>	1,867,085	1,910,370
Investments	<b>16</b>	<u>16,373,939</u>	<u>14,356,946</u>
<b>Total fixed assets</b>		<b>18,241,024</b>	<b>16,267,316</b>
<b>Current assets</b>			
Stock		1,324	1,667
Debtors	<b>17</b>	648,311	919,954
Cash at bank and in hand	<b>22</b>	<u>903,213</u>	<u>4,977,286</u>
<b>Total current assets</b>		<b><u>1,552,848</u></b>	<b><u>5,898,907</u></b>
<b>Liabilities</b>	<b>18</b>		
Creditors: amounts falling due within one year		<u>(821,615)</u>	<u>(4,893,935)</u>
<b>Net current assets/liabilities</b>		<b>731,233</b>	<b>1,004,972</b>
<b>Total assets less current liabilities</b>		<b>18,972,257</b>	<b>17,272,288</b>
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>
<b>Net assets</b>		<b><u>16,461,574</u></b>	<b><u>14,727,145</u></b>
<b>The funds of the Foundation</b>			
<b>Endowment funds</b>	<b>19</b>	13,119,664	12,027,421
<b>Restricted funds</b>	<b>20</b>	864,900	694,377
<b>Unrestricted funds</b>	<b>21</b>	<u>2,477,010</u>	<u>2,005,347</u>
<b>Total charity funds</b>		<b><u>16,461,574</u></b>	<b><u>14,727,145</u></b>

Approved by the Feoffees on 25<sup>th</sup> 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 31<sup>st</sup> March 2021**

		<b>31<sup>st</sup> March 2021</b>		<b>31<sup>st</sup> March 2020</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>	<b>23</b>				
<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 &amp; 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><b>903,213</b></u>		<u><b>4,977,286</b></u>
<b>Analysis of cash &amp; cash equivalents</b>					
Cash in hand	<b>22</b>		<u><b>903,213</b></u>		<u><b>4,977,286</b></u>

## **OLD SWINFORD HOSPITAL**

### **Notes to the Financial Statements for the year ended 31<sup>st</sup> 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 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**

(ii) 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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**

	<b>Unrestricted funds</b>		<b>Restricted funds</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>		<b>£</b>	
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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>Unrestricted funds</b>		<b>Restricted funds</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>		<b>£</b>	
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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>Cost of raising funds</b>	<b>Charitable activities</b>	<b>Governance</b>	<b>Total allocated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 <sup>st</sup> 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 <sup>st</sup> 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 31<sup>st</sup> 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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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
	<b>309,737</b>	<b>211,851</b>

#### **11. Charitable activities**

		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Bursaries, prizes &amp; welfare from unrestricted funds</b>			
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
		<b>285,674</b>	<b>577,874</b>
<b>Bursaries, prizes &amp; other support from restricted funds</b>			
Bursaries & welfare support		1,000	4,400
Prizes		0	0
Donation to Old Foleys Association		631	817
		<b>1,631</b>	<b>5,217</b>
<b>Total expenditure on bursaries, prizes &amp; welfare</b>		<b>287,305</b>	<b>583,091</b>

## **OLD SWINFORD HOSPITAL**

### **Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2021 continued**

#### **Charitable activities (continued)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Property costs</b>		
School maintenance projects from unrestricted funds	0	22,000
Depreciation from endowment funds	43,553	43,553
<b>Total expenditure on property</b>	<b>43,553</b>	<b>65,553</b>
<b>School development &amp; support</b>		
Interest payments on borrowed funds to support the costs of expansion	0	381
Provision of clerking and other administrative assistance	53,151	59,532
<b>Total expenditure on school development &amp; support</b>	<b>53,151</b>	<b>59,913</b>

#### **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
	<b>390,943</b>	<b>716,633</b>

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:

	<b>Charitable activity</b>	<b>Support costs</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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 <sup>st</sup> March 2021	<b>384,009</b>	<b>6,934</b>	<b>390,943</b>
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 <sup>st</sup> March 2020	<b>708,557</b>	<b>8,076</b>	<b>716,633</b>

## **OLD SWINFORD HOSPITAL**

### **Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2021 continued**

#### **12. Other expenditure**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Gains/(losses) on:</b>				
Disposal of marketable securities	(24)	(602)	(626)	154,892
	<u>(24)</u>	<u>(602)</u>	<u>(626)</u>	<u>154,892</u>
<b>Unrealised gains/(losses) on:</b>				
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>
<b>Total gains/(losses)</b>	<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 31<sup>st</sup> March 2021 nor in the year to 31<sup>st</sup> 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 31<sup>st</sup> March 2021 continued**

#### **15. Tangible fixed assets**

	<b>Freehold</b>		<b>Total</b>	<b>Total</b>
	<b>Land</b>	<b>Buildings</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation:</b>				
At 1 <sup>st</sup> April and 31 <sup>st</sup> March	387,119	2,164,243	2,551,362	2,551,362
<b>Depreciation:</b>				
At 1 <sup>st</sup> April	0	640,992	640,992	597,707
Charged in the year	0	43,285	43,285	43,285
At 31 <sup>st</sup> March	0	684,277	684,277	640,992
<b>Net book value at 31<sup>st</sup> March</b>	<b>387,119</b>	<b>1,479,966</b>	<b>1,867,085</b>	<b>1,910,370</b>

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 1<sup>st</sup> 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**

	<b>Freehold estate</b>	<b>Freehold housing</b>	<b>Leasehold housing</b>	<b>Marketable securities</b>	<b>COIF Units</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation:</b>							
At 1 <sup>st</sup> 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 <sup>st</sup> 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 <sup>st</sup> March	3,922,733	1,166,412	1,280,167	1,995,725	1,279,781	9,644,818	8,941,750
<b>Depreciation:</b>							
At 1 <sup>st</sup> April	0	(5,096)	0			(5,096)	(4,828)
Charged in the year	0	(268)	0			(268)	(268)
At 31 <sup>st</sup> March	0	(5,364)	0			(5,364)	(5,096)
<b>Net book value at 31<sup>st</sup> March</b>	<b>5,762,831</b>	<b>2,956,305</b>	<b>1,487,113</b>	<b>3,784,459</b>	<b>2,393,231</b>	<b>16,383,939</b>	<b>14,356,946</b>
<b>Analysis of value by fund:</b>							
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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March the following material investments were held:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Holdings valued above 5%:</b>		
Site of former Stourbridge College	3,550,000	3,550,000
COIF Charities Investment Fund accumulation units	2,246,182	1,806,745
<b>Other significant holdings:</b>	<b>5,796,182</b>	<b>5,356,745</b>
Treherns & Racecourse Farms	464,286	464,286
Stourbridge Golf Course	692,550	692,550
	<b>6,953,018</b>	<b>6,513,581</b>

At 31<sup>st</sup> March 2021 marketable securities includes £186,388 (2020: £99,736) of investment assets outside of the UK.

#### **17. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Taxation recoverable	11,935	724,916
Rental income and licence fees due	2,810	530
Debtors, prepayments and accrued income	633,566	194,508
	<b>648,311</b>	<b>919,954</b>

#### **18. Liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Creditors: amounts falling due within one year:</b>		
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
	<b>821,615</b>	<b>4,893,935</b>
<b>Creditors: amounts falling due more than one year:</b>		
Bank loan	2,196,860	2,345,248
	<b>2,196,860</b>	<b>2,345,248</b>
<b>Provisions for liabilities</b>		
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	<b>313,823</b>	<b>199,895</b>
Provisions for awards expected within one year	125,093	78,984
Provisions for awards expected in more than one year	188,730	120,911
	<b>313,823</b>	<b>199,895</b>

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 31<sup>st</sup> March 2021 continued**

On 31<sup>st</sup> 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**

	<b>Balance 1<sup>st</sup> April</b>	<b>Movement in funds</b>			<b>Balance 31<sup>st</sup> March</b>
	<b>£</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains &amp; losses £</b>	<b>£</b>
Permanent endowment fund					
Year to 31 <sup>st</sup> March 2021	12,027,421	5,288	(61,335)	1,148,290	13,119,664
Year to 31 <sup>st</sup> 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**

	<b>Balance 1<sup>st</sup> April</b>	<b>Movement in funds</b>			<b>Balance 31<sup>st</sup> March</b>
	<b>£</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains &amp; losses £</b>	<b>£</b>
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 <sup>st</sup> March 2021	694,377	6,700	(1,631)	165,454	864,900
<b>Prior Year balances</b>					
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 <sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2021 continued**

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.

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 Foleys Association.

#### **21. Unrestricted funds**

	<b>Balance 1<sup>st</sup> April £</b>	<b>Movement in funds</b>			<b>Balance 31<sup>st</sup> March £</b>
		<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	
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 <sup>st</sup> March 2021	2,005,347	1,143,647	(671,984)	0	2,477,010
<b>Prior Year balances</b>					
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 <sup>st</sup> March 2020	1,704,382	1,191,845	(890,880)	0	2,005,347

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 31<sup>st</sup> 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	£	£
<b>Fund balances are represented by:</b>					
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 <sup>st</sup> March 2021	2,477,010	682,225	182,675	13,119,664	16,461,574

#### **Unrealised gains/(losses) 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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#### **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 <sup>st</sup> March 2020	2,005,347	548,756	145,621	12,027,421	14,727,145

#### **Unrealised gains included above, and all in respect of investments:**

0	368,520	(9,093)	5,060,865	5,420,292
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#### **Cash balances included in current assets above:**

781,741	0	10,037	4,185,508	4,977,286
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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
		903,213	4,977,286

## **OLD SWINFORD HOSPITAL**

### **Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2021 continued**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<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 31<sup>st</sup> March 2021*

	<b>1<sup>st</sup> April</b>	<b>Cash flows</b>	<b>Other non-cash changes</b>	<b>31<sup>st</sup> March</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 <sup>st</sup> March 2021	<u>2,492,286</u>	<u>(4,218,528)</u>	<u>0</u>	<u>1,437,334</u>

#### **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).