

OLD SWINFORD HOSPITAL

Stourbridge

West Midlands

Registered Charity Number: 527116

ANNUAL REPORT and FINANCIAL STATEMENTS

for the year ended 31st March 2023

OLD SWINFORD HOSPITAL

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OLD SWINFORD HOSPITAL

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

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

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

Post COVID-19

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

Structure, governance and management

Scheme and constitution

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

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

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

Feoffees

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

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

Induction and training is provided so that:

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

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

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

During the year:

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

The School of the Foundation and its Governing Body

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

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

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

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

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

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

Organisation

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

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

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

Key management personnel remuneration

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

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

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

Risk management

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

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

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

Governance Code

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

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

Reference & Administrative Details

Feoffees: Hereditary Feoffees:

P T Foley FCII, MCIArb, MEWI, 1989
R T Foley, 1991

Co-optative Feoffees:

D H Higgs, 1980 (retired 22nd July 2022)
M Wilcox FRICS, 1997 (Chairman)
A J Yeates B Pharm, 1998
P W Mason FCA, 2007
M J Billingham, 2009 (resigned 8th April 2022)
J M Hornby MA, FCA, 2020
D J Taylor MI, FIH, 2021
Dr R B Guthrie (appointed 24th June 2022)
Mr R J Walker (appointed 24th June 2022)
Mr J R Edwards, ACII (appointed 9th October 2022)

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

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

Advisors:

Auditors

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

Bankers

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

Solicitor

Burges Salmon LLP
One Glass Wharf, Bristol, BS2 0ZX

Investment Advisors

Evelyn Partners (formerly known as Smith & Williamson Investment Management LLP)
45 Gresham Street, London, EC2V 7BG

Residential Letting Agent

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

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

Objectives and activities for the public benefit

Charitable objects

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

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

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

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

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

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

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

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

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

Grant making policy

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

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

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

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

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

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

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

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

Achievements and performance

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

The School of the Foundation

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

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

Bursaries, prizes and welfare

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

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

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

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

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

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

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

Portfolio development

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

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

Financial review

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

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

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

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

Investment policy and performance

Marketable securities- general portfolio

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

Marketable securities – COIF Charities Investment Fund accumulation units

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

Marketable securities – COIF Charities Property Fund income units

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

Marketable securities – restricted income funds

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

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

Property

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

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

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

The Foundation has two larger commercial elements to the estate, being farmland at 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. A third property, now known as Swinford Court, was added in 2020. The School of the Foundation has requested a lease on Swinford Court to accommodate its planned growth and negotiations are progressing for this to happen.

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

Reserves policy

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

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

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

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

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

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

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

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

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

Plans for the future

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

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

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

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

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

OLD SWINFORD HOSPITAL

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

Feoffees' responsibilities in relation to the financial statements

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

In preparing the financial statements the Feoffees are required to:

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

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

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

M Wilcox
Chairman

OLD SWINFORD HOSPITAL

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Feoffees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

OLD SWINFORD HOSPITAL

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

Responsibilities of Feoffees

As explained more fully in the Feoffees' responsibilities statement set out on page 13, the Feoffees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Feoffees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

OLD SWINFORD HOSPITAL

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

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

Use of our report

This report is made solely to the Feoffees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Feoffees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Feoffees, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

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

13th July 2023

OLD SWINFORD HOSPITAL

Statement of Financial Activity for the year ended 31st March 2023

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

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

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

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

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

M Wilcox
Chairman

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

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

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

OLD SWINFORD HOSPITAL

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

1. Accounting policies

Basis of preparation and assessment of going concern

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

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

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

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

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

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

Public benefit entity

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

Funds

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

(ii) Restricted funds include:

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

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

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

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

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

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

OLD SWINFORD HOSPITAL

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

Income recognition

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

(i) Donations & legacies

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

(ii) Investment income

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

(iii) Taxation

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

Expenditure recognition

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

(i) Grants

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

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

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

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

(ii) Allocation of support costs and governance

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

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

OLD SWINFORD HOSPITAL

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

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

(iii) Taxation

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

Fixed assets

(i) Tangible fixed assets and depreciation

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

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

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

(ii) Investments

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

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

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

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

Debtors

Debtors are measured at cost less any impairment.

Creditors and provisions

Creditors and provisions are recognised when the charity has an obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. They are normally recognised at their settlement amount.

Financial instruments

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

Stocks of sundry stores

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

OLD SWINFORD HOSPITAL

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

2. Trustees' expenses and remuneration

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

3. Donations

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

4. Income from charitable activities

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

5. Investment & property income

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

6. Other income

	2023	2022
	£	£
Wayleaves	500	500
Facilities fee	<u>50,000</u>	<u>50,000</u>
	<u>50,500</u>	<u>50,500</u>

OLD SWINFORD HOSPITAL

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

7. Allocation of support costs

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

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

8. Staff costs and remuneration of key personnel

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

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

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

9. Investment management fees

	2023 £	2022 £
Investment management fees	18,756	19,926

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

10. Property costs

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

OLD SWINFORD HOSPITAL

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

11. Charitable activities

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

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

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

Welfare requests are grants to the School of the Foundation.

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

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

OLD SWINFORD HOSPITAL

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

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

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

12. Other expenditure

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

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

13. Net gains/(losses) on investments

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

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

14. Transfer between funds

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

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

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

OLD SWINFORD HOSPITAL

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

15. Tangible fixed assets

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

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

16. Investments

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

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

OLD SWINFORD HOSPITAL

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

Property

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

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

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

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

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

Securities

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

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

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

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

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

OLD SWINFORD HOSPITAL

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

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

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

17. Debtors

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

18. Liabilities

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

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

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

OLD SWINFORD HOSPITAL

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

19. Endowment funds

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

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

20. Restricted funds

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

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

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

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

OLD SWINFORD HOSPITAL

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

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

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

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

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

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

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

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

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

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

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

21. Unrestricted funds

	Balance 1st April £	Movement in funds			Balance 31st March £
		Income £	Expenditure £	Transfers £	
Income funds	1,418,091	1,381,818	(339,754)	(612,691)	1,847,464
Designated funds:					
Bursary & Welfare fund	197,674	0	(273,713)	351,500	275,461
School property maintenance fund	61,717	0	0	15,000	76,717
Investment property maintenance fund	751,269	0	(80,243)	180,000	851,026
Land development fund	242,207	0	(22,370)	0	219,837
Excellence in Education	22,660	0	(22,660)	66,191	66,191
Year to 31 st March 2023	2,693,618	1,381,818	(738,740)	0	3,336,696
Prior Year balances					
Income funds	1,319,132	1,239,196	(426,077)	(714,160)	1,418,091
Designated funds:					
Bursary & Welfare fund	184,559	0	(388,385)	401,500	197,674
School property maintenance fund	53,717	0	(7,000)	15,000	61,717
Investment property maintenance fund	660,533	0	(184,264)	275,000	751,269
Land development fund	248,557	0	(6,350)	0	242,207
Excellence in Education	10,512	0	(10,512)	22,660	22,660
Year to 31 st March 2022	2,477,010	1,239,196	(1,022,588)	0	2,693,618

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

Providing for bursary and welfare support

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

Providing for contributions to capital expenditure and repair of school property

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

OLD SWINFORD HOSPITAL

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

Attending to maintenance on estate and housing properties held as investments

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

Future land development

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

Excellence in education

Funds set aside to promote excellence in education.

22. Analysis of net assets between funds

	Unrestricted	Restricted		Endowment	Total
		Sinking	Other		
	£	funds	funds	£	£
Fund balances are represented by:					
Tangible fixed assets	0	0	0	1,780,515	1,780,515
Investments	2,485,688	0	225,931	14,278,717	16,990,336
Net current assets/ (liabilities)	1,380,736	0	13,308	(250,105)	1,143,939
Liabilities more than one year	0	0	0	(1,820,837)	(1,820,837)
Provisions for liabilities	(529,728)	0	0	0	(529,728)
Net assets at 31 st March 2023	3,336,696	0	239,239	13,988,290	17,564,225

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

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

1,438,322	0	13,308	0	1,451,630
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Prior year fund balances are represented by:

Tangible fixed assets	0	0	0	1,823,800	1,823,800
Investments	1,751,371	761,564	216,708	14,254,912	16,984,555
Net current assets/ (liabilities)	1,429,337	0	11,371	(701,659)	739,049
Liabilities more than one year	0	0	0	(1,997,045)	(1,997,045)
Provisions for liabilities	(487,090)	0	0	0	(487,090)
Net assets at 31 st March 2023	2,693,618	761,564	228,079	13,380,008	17,063,269

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

0	581,328	35,311	6,503,851	7,120,490
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Cash balances included in current assets above:

739,811	0	12,104	2,748	754,663
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		2023	2022
		£	£
The net cash balance is held as follows:			
HSBC Bank Plc	Current account	373,824	129,214
	Deposit accounts	996,813	542,455
National Westminster Bank Plc	Current account	72,138	72,171
Evelyn Partners	Deposit accounts	32	3,418
	Income account	8782	7,350
Cash		41	55
		1,451,630	754,663

OLD SWINFORD HOSPITAL

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

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

	2023	2022
	£	£
<i>Net income/(expenditure) for the reporting period as per the Statement of Financial Activity</i>	500,956	601,695
Adjustments for:		
Depreciation charges	43,553	43,553
(Gains)/losses on investments	103,344	(415,548)
Dividends, interest and rents from investments	(1,245,992)	(1,144,436)
Decrease in stocks	194	122
Decrease in debtors	718,446	(196,504)
Decrease in creditors	(427,898)	155,358
<i>Net cash provided by (used in) operating activities</i>	<u>(307,397)</u>	<u>(955,760)</u>

Analysis of changes in net debt in the year to 31st March 2023

	1st April	Cash flows	Other non-cash changes	31st March
	£	£	£	£
Cash	754,663	696,967	0	£1,451,630
Loans:				
Falling due within one year	(201,611)	132,235	(176,208)	(245,584)
Falling due after more than one year	(1,997,045)	0	176,208	(1,820,837)
Year to 31 st March 2023	<u>(1,443,993)</u>	<u>829,202</u>	<u>0</u>	<u>(614,791)</u>

24. Contingent liabilities and capital commitments

Capital expenditure authorised but not yet contracted for amounted to £395,000 (2022: £nil) and capital expenditure contracted for but not provided amounted to £nil (2022: £nil). Major expenditure contracted for, but not yet provided amounted to £nil (2022: £nil).