

THE SMITH FOUNDATION

England & Wales · Charity number 529132

Details

Status Registered

Legal form Other

Registered 1974-01-28

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

Contact

Address William Henry Smith School
Boothroyd Lane
Brighouse
HD6 3JW

Phone 01484710123

Email secretaryoftrust@whsschool.org.uk

Website www.whsschool.org.uk

Activities

Objects: (A) TO PROMOTE THE EDUCATION OF CHILDREN WHO HAVE SPECIAL EDUCATIONAL NEEDS, AND IN PARTICULAR BUT IN NO WAY LIMITING THE GENERALITY OF THE FOREGOING BY THE PROVISION OF A SPECIAL SCHOOL WITHIN THE MEANING OF THE EDUCATION ACTS;(B) TO PROMOTE THE GENERAL WELFARE OF CHILDREN AND YOUNG PERSONS REQUIRING ASSISTANCE WHO HAVE OR HAVE HAD SPECIAL EDUCATIONAL NEEDS, WITH PREFERENCE FOR PUPILS AND FORMER PUPILS OF THE SCHOOL OF THE CHARITY

Activities: To promote the education and general welfare of children with special educational needs.Provision of a special school within the meaning of the Education Acts.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** BRIGHOUSE AND THE NEIGHBOURHOOD
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,411,739	£11,758,515	£10,620,248	229
2024-03-31	£11,075,558	£10,215,440	£8,986,052	219
2023-03-31	£9,727,349	£8,999,897	£9,264,327	191
2022-03-31	£8,326,335	£7,462,008	£7,545,215	198
2021-03-31	£7,007,505	£6,141,501	£3,903,541	151

Trustees

Name	Role	Appointed
WILLIAM HENRY SMITH FOUNDATION		2025-10-01

THE SMITH FOUNDATION

England & Wales - Charity number 529132

Accounts

**THE SMITH FOUNDATION
ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025**

Boothroyd Lane
BRIGHOUSE
West Yorkshire
HD6 3JW

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THE SMITH FOUNDATION

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THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2025

Administrative Details, Trustees and Advisers

The Smith Foundation (529132) is governed by a Charity Commission Scheme dated 4 August 1998 amended by resolutions dated 20 June 2000, 5 July 2011 and 2 February 2023.

The office for all correspondence is:

The Smith Foundation, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Present Trustees of the Foundation are:

Roger Tilbrook, Chair
Brendan Heneghan, Vice Chair
David Duncan
Michelle Cuffe
Andrew Fairbairn

Key officers

Trust Secretary: Vanessa Talbot

William Henry Smith School, sixth form & college

Sue Ackroyd, CEO/Executive Principal
Damien Talbot, Deputy Principal
Leanne Clarke, Deputy Principal
Karl Adamski, Head of School
Tom Gilbody, Vice Principal
Sarah Kaler, Vice Principal
Rachael Johnson, Vice Principal

Trust Advisers and Agents:

Bankers

Lloyds Bank plc
6/7 Park Row, LEEDS, LS1 1NX

Solicitors

Weightmans LLP
Westgate Point, Westgate
LEEDS, LS1 2AX

Accountants

Firth Parish, Chartered Accountants
1 Airport West, Lancaster Way
Yeadon, LEEDS, LS19 7ZA

Auditors

Shenward LLP, Chartered Accountants and
Statutory Auditors
Summit House, Woodland Park, Bradford Road
Cleckheaton, BD19 6BW

Land & Valuation Chartered Surveyors

Carter Jonas
Manor House, Nabbs Lane
Slaithwaite, HUDDERSFIELD, HD7 5AU

Health & Safety Consultants

Senior H & S Advisor
Calderdale H & S Department
Calderdale MBC

Foundation Property Advisor

David Williams
DEWW Ltd
1 Uplands, Ben Rhydding Drive,
Ilkley, LS29 8BD

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2025

Historical Context

The Smith Foundation originates from a Trust established on the 16th of August 1916 by William Smith. The main purpose of that Trust was to establish a Home for orphan girls. This was changed to a home for boys and girls under a scheme of 1923 just after William died in 1922. The bulk of his estate had been intended for his cousin's adopted son William Henry Smith but unhappily he was killed in the 1914-18 war so this money too was passed to the Trust. The homes continued through the 1920's, 1930's and through the 1939-45 war. During the war they took in children from The Sailors' Orphan Home in Hull and also the school was used as a transit home for children from Sheffield.

In 1951 a scheme changed the name of the Trust to The Smith Homes. This came about following an approach by the Ministry of Education after the enactment of the 1948 Children's Act. The revised scheme allowed the continuance of the Homes for a limited time but added an authority for the Trustees to make grants to special schools and to establish special schools of their own.

Grants were made to Breckenborough and Chaigley School and Holly Bank House was purchased by the Trust to convert into a Special School for Physically disabled children. This School was opened in 1953 and was run by the Trust until 1998 when it was handed over to the newly formed Holly Bank Trust.

By the end of 1959 the last of the children left the Homes and by then plans were in hand to open a further residential special school in the buildings. The William Henry Smith School opened in September 1961 for 48 boys. In December of the following year the Charity Commission made a scheme that changed the name of the Trust to The Smith Foundation.

Over the next 30 years the school developed its education and social provision becoming recognised as a specialist school for boys experiencing social, emotional and mental health difficulties, becoming very much a part of the national spectrum of special needs provision. During this period the Trustees with the help of the DfES provided a new science building, new kitchen and then portable classrooms and a Gymnasium. In the early 1990's it became clear that the residential accommodation needed to be replaced and the Trustees provided two new houses using some of their capital and money raised from Trusts.

In 1994 the Trustees commissioned a feasibility study that identified a plan to maximise the use of existing buildings through conversion and refurbishment to create new teaching facilities to allow the school to meet the challenges of the new millennium.

In the following years during summer capital building projects were implemented which transformed the site with derelict buildings becoming teaching and communal facilities, providing en-suite bedrooms for all the boys and recreation improvements in the residential houses. On the Education side the original temporary classrooms were refurbished to provide permanent accommodation; an IT suite, Assembly Hall, Design and Technology Rooms, Art Room, Music Room, Sports Hall, Life Skills Kitchen and a new therapy suite have been provided. Expansion has continued as money has allowed including the addition of a new building for Commissioned Services in 2019 and in 2020, which has been used as a learning space for new students from September 2023. The Foundation also purchased a former B&B which has been developed and has been used as a 52-week children home from late 2023, known as Boothroyd House.

In 2021 the Trustees purchased another offsite property, a former day nursery in Elland. This has been operating as a College since September 2023. We have now secured the lease of the building next to it (Fordsall House) to enable the expansion of our college offer. Fordsall has been adapted to create an office, classrooms and conference facilities for the college.

Lowry house was converted from residential accommodation to a larger state of the art therapy building. Houses 5 and 6 were also converted from therapy into a 4 bedroomed residential provision.

In 2023 we created a dedicated classroom specialising in communication, interaction and sensory processing and New Beginnings was also created. These facilities provide a nurturing needs-led environment and provides students with the individualised support and structure they require to ensure a smooth transition into school.

The Trustees continue to sanction capital and revenue expenditure in a process of continual improvement to facilities and the overall environment. Recent initiatives include the provision of a 4G pitch, new boilers and water heaters and facilitating relocations to improve bigger and improved living accommodation.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2025

A final scheme was established by the Charity Commission in 1998 that revised the membership requirements for Trustees and the objects of the charity (amended by resolutions dated 20 June 2000, 5 July 2011, 2 February 2023 and 30 September 2025.) The aim was to convert to a charitable company limited by guarantee by 1st September 2024 at which time the year end would alter to 31 August to align with the academic year. Complications delayed the process but the Foundation remained committed to achieving the transformation, which was completed on 1st October 2025.

The instruments and articles of the governing body of the school were approved by the DfES in 1999. The governing body was reconstituted during the academic year 1999/2000. These have been further revised on 7th March 2023, 4th July 2023 and 11th July 2024. (The 2024 amendments were to change to 4 persons from professional backgrounds, remove old terminology, permit voting by proxy/virtual and replace Committee meetings with Special Interest Groups).

Structure, Governance and Management

Constitution

The Trust is governed by a Charity Commission Scheme dated 4 August 1998, as varied by a resolution of the Trustees dated 20 June 2000, and further resolutions dated 5 July 2011, 2 February 2023 and 30 September 2025. Trustees terms are reviewed every five years.

All Trustees are nominated by current Trustees. In making appointments to the Trust, Trustees "shall have regard to the desirability of appointing persons". When vacancies arise, Trustees seek expressions of interests. So far this approach with prospective Trustees suggested by the present Trust body had provided a representative and active group of Trustees. When looking at vacancies the Trust considers the skills and experience gap in their body.

All prospective Trustees are informally interviewed by the chairperson, who at that time makes verbal checks on the eligibility of Trustees. Each new Trustee is given an induction pack containing the charity's governing document, the Instruments and Articles of the school, sixth form & college, annual reports, together with previous meeting minutes of the Trust and Governing body. They are given a tour of the Trust grounds and meet senior members of the school, sixth form & college management as well as the Trust secretary. DBS and the other relevant checks are initiated before a Trustee is finally accepted. A full induction process is undertaken and at their first Trust meeting they formally sign the minutes book declaration.

The Trust secretary has reported that all Trustees have completed DBS checks in relation to Trustee's appointments, adding that since the Commission's Scheme sealed on 4th August 1998 all Trustees have signed a statement as follows:- "I the undersigned hereby declare that I am willing to accept the office and appointment of Trustee of The Smith Foundation and of acceptance and willingness to act in the Trusts of the scheme approved and established by the Charity Commission on the 4th August 1998".

Please note that as the report is for the period 1st April 24 to 31 March 25, that the constitution records the position during this time frame.

Organisational structure

The Trustees delegate the running of the school, sixth form & college to the governing body. They operate under Instruments and Articles approved by the DfES in 1999. These have been further revised 7th March 2023, 4th July 2023 and 11 July 2024. The establishment of the governing body is up to 13 members: the Executive Principal/CEO, 1 parent representative, 1 teaching staff representative, 1 non-teaching staff representative, 1 employed by a Local Authority, 4 from a professional background and 4 other persons deemed suitable by the Governing Body to enhance the skillset.

The Governing body in turn delegate the day to day running of the school & sixth form & college to the CEO and SLT. In practice this means that the Trustees have final responsibility for the school, sixth form & college staffing complement, audit and banking, insurance and security. They have joint responsibility with the governors and CEO/Executive Principal for Admissions, financial budgeting in the school, sixth form & college, Prospectus, the use of the premises, all statutory policies such as Health & Safety, Religious Education and Sex Education. The Governors and CEO/Executive Principal are jointly responsible for Staffing, Terms and Holiday dates, Curriculum policy, welfare and child protection. The CEO/Executive Principal is solely responsible for the organisation of the curriculum and

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2025

the day-to-day running of the school, sixth form & college. The governors do not sit over Boothroyd House but the trustees do.

The Governors fulfil their functions through four Special Interest Groups for Business & Partnerships, Children and Young Adults, Environment, Premises & Resources and People.

Risk Assessment

During the year the Trustees have carried out a review of the risk assessment and confirm that all major risks have been reviewed and action plans are in place to mitigate these risks. The Emergency Plan and Business Continuity Plan are subject to regular review.

Objectives and Activities

Objective

- (a) To promote the education of children who have special educational needs, and in particular but in no way limiting the generality of the foregoing by the provision of a special school, sixth form & college within the meaning of the education acts; and
- (b) To promote the general welfare of children and young persons requiring assistance who have or have had special educational needs, with preference for students and former pupils of the school, sixth form & college of the charity.

Mission Statement

The Trust fulfils its objects by empowering everyone to become the best they can be through granting equity of access to provision of life enhancing opportunities leading to achievement, fulfilment and happiness.

Our vision supported by our whole community of services is to provide outstanding individualised education, care, welfare and support for children and young people experiencing social, emotional and mental health difficulties.

The Trustees recognise their three principal functions as:

- i) Overseeing the working and development of The William Henry Smith School, sixth form & college, and Boothroyd House through the work of the Governing Body and designated lead Trustees;
- ii) The safeguarding of the assets including finance, building and grounds in their care, and;
- iii) Planning for the future use of property and other assets.

Activities

To meet these objectives the Trustees, the Governors of the school, sixth form & college, the Principal as Chief Executive Officer and senior members of staff have worked together on the continued development of the services. The Trustees for their part have continued to provide finance for capital development and have worked alongside the senior staff in developing a 5-year strategic plan covering all areas of the school, sixth form & college. The return on investment has been carefully forecasted and is regularly reviewed.

Once again, a principal activity of Trustees this year has been that of critical friends, being active members of the school, sixth form & college's governing body and working alongside the Principal and the senior staff in examining and promoting the Foundation Improvement Plan.

Staff training continues to be a vital part of the Foundations operation. The Foundation actively aids all staff development to the long-term benefit of the school, sixth form, college and Children's Home.

Achievement & Performance

The school & sixth form was awarded an 'Outstanding' rating by Ofsted in all areas of operation, including the twenty second consecutive outstanding rating for 'Care'. A splendid achievement for which we are all immensely proud.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2025

Financial

The financial statements are prepared in accordance with the Charities Statement of Recommended Practice (FRS102) and Financial Reporting Standard 102.

All members had exited the WYPF scheme on 31.8.23. The exit deficit was confirmed at £1.2m. A deferred debt agreement was entered into with WYPF and this was discharged and the balance paid in full from the Trust reserves on 19.7.24.

Reserves Policy

The level of capital investment required in the 5-year strategic plan continues to be balanced against the need to maintain cash reserves at 50% of annual running costs. This is continually monitored.

Plans for Future Periods

5-year Strategic plans are under review. Short term improvements to the driveway are being considered as is repurposing one of the residential houses.

Future Prospects

The Trustees are confident for the future. This confidence is bolstered by a strong school, sixth form, college and children's home management team, with excellent leadership and an achievable strategy to deliver excellent results in ensuring student and resident numbers are maintained whilst continually maintaining a high level of success in education and care.

Further Information & News

The school, sixth form & college management team under the leadership of Sue Ackroyd has produced excellent results in the further development of the school, sixth form & college in teaching, care and learning to bring out the full potential of the boys in the school, sixth form & college. This success is further recognised in the finances of the Trust and gives us confidence to pursue further our improvement plans.

Please visit our new website at www.whsschool.org.uk

Statement of Disclosure to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors is unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Public Benefit

In identifying the activities that the charity will undertake, the Trustees complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2025

Statement of Trustees' Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the policies adopted are in accordance with the Charities (Accounts & Reports) Regulations 2008 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved on behalf of the Board of Trustees and signed on their behalf by:



Roger J Tilbrook MRICS
Chair of Trust

19 December 2025

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Charity and management.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

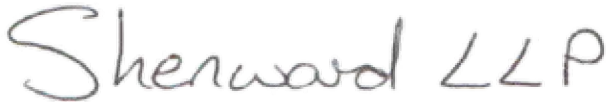
THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

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

Use of our report

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Shenward LLP
Chartered Accountants & Statutory Auditors
Summit House
Woodland Park
Bradford Road
Cleckheaton
West Yorkshire
BD19 6BW

Date: **19 December 2025**
Date:

THE SMITH FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	Endowment £	2025 Total £	2024 Total £
Income and endowments from:						
Charitable activities	4	13,277,979	107,932	-	13,385,911	11,053,366
Investment activities	3	25,828	-	-	25,828	22,192
Total income		13,303,807	107,932	-	13,411,739	11,075,558
Expenditure on:						
Charitable activities:						
Salaries	14	8,557,671	-	-	8,557,671	7,370,481
Establishment costs	5	1,161,129	-	-	1,161,129	1,014,803
Education & welfare	6	1,786,605	150,302	-	1,936,907	1,552,527
VAT re partial exemption		(149,456)	-	-	(149,456)	-
Direct costs		11,355,949	150,302	-	11,506,251	9,937,811
Support costs:						
Depreciation		186,173	3,919	-	190,092	187,068
Professional fees		2,928	-	-	2,928	25,303
Governance Costs:						
Clerk charges & subscriptions		27,000	-	-	27,000	27,120
Auditor remuneration		18,305	-	-	18,305	25,400
Investment activities:						
Investment management fees		13,939	-	-	13,939	12,738
Total expenditure		11,604,294	154,221	-	11,758,515	10,215,440
Net income before investment gains/(losses)		1,699,513	(46,289)	-	1,653,224	860,118
Net (losses)/gains on investments		(16,842)	-	(2,186)	(19,028)	61,607
Net income/(expenditure)	2	1,682,671	(46,289)	(2,186)	1,634,196	921,725
Extraordinary item – Pension scheme exit	18	-	-	-	-	(1,200,000)
Net movement in funds		1,682,671	(46,289)	(2,186)	1,634,196	(278,275)
Reconciliation of funds:						
Total funds brought forward		8,085,534	176,669	723,849	8,986,052	9,264,327
Total funds carried forward	12	9,768,205	130,380	721,663	10,620,248	8,986,052

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by funds in note 19 of the accounts.

THE SMITH FOUNDATION

BALANCE SHEET

as at 31 March 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Land & buildings	7		5,944,065		6,081,105
Furniture & equipment	7		45,922		73,936
Investments	8		1,071,728		1,085,485
			<hr/>		<hr/>
			7,061,715		7,240,526
Current assets					
Stocks		50,289		57,255	
Debtors	10	1,128,596		206,108	
Cash at bank and in hand		3,022,198		3,118,908	
			<hr/>		<hr/>
			4,201,083		3,382,271
Liabilities					
Creditors falling due within one year	11	(642,550)		(1,636,745)	
			<hr/>		<hr/>
Net current assets			3,558,533		1,745,526
			<hr/>		<hr/>
Total net assets			10,620,248		8,986,052
			<hr/>		<hr/>
The funds of the charity:					
Endowment funds			721,663		723,849
Restricted income funds			130,380		176,669
Unrestricted income funds:					
Unrestricted funds			9,545,298		7,958,534
School Improvement Plan designated fund			222,907		127,000
			<hr/>		<hr/>
Total charity funds	12		10,620,248		8,986,052
			<hr/>		<hr/>

These Financial Statements were approved by the Trustees on 19 December 2025 and signed on their behalf by


 Roger J Tilbrook, MRICS
 Chair of Trust

THE SMITH FOUNDATION
STATEMENT OF CASH FLOWS
for the year ended 31 March 2025

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2025 £	2024 £
Net income for the year (as per the statement of financial activities)	1,634,196	921,725
Add back depreciation charge	190,092	187,068
Deduct interest income shown in investing activities	(25,828)	(22,192)
Net gains on investments	18,644	(61,607)
Decrease/(Increase) in stocks	6,966	(2,935)
Increase in debtors	(922,488)	(3,177)
(Decrease)/Increase in creditors	(994,195)	1,132,532
Extraordinary item – pension scheme exit	-	(1,200,000)
	<hr/>	<hr/>
Net cash provided by operating activities	(92,613)	951,414
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	25,828	22,192
Purchase of property, plant and equipment	(25,038)	(188,005)
Purchase of listed investments	(247,632)	(256,629)
Proceeds on sale of listed investments	242,745	234,613
	<hr/>	<hr/>
Net cash used in investing activities	(4,097)	(187,829)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(96,710)	763,585
	<hr/>	<hr/>
Cash and cash equivalents brought forward	3,118,908	2,355,323
	<hr/>	<hr/>
Cash and cash equivalents carried forward	3,022,198	3,118,908
	<hr/> <hr/>	<hr/> <hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1 Accounting Policies

Charity Information

The Smith Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The public address is William Henry Smith School, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Basis of preparation and assessment of going concern

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with FRS 102, with the requirements of the Charities Act 2011 and under the historical cost convention as modified by the revaluation of investments assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

The Trustees believe that the Foundation is a going concern because it has a strong balance sheet, good leadership and management to ensure boy numbers are maintained at a satisfactory level.

Stocks

Stocks are held for distribution at no or nominal consideration. Stocks are valued at the lower of cost and replacement cost.

Pensions

The charity contributed primary contributions to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity also contributed primary contributions to a Defined Benefits pension scheme for non-teaching staff until 31 August 2023 when the charity became a deferred employer and paid secondary contributions until 31 March 2024 when the charity exited the scheme. Rates were set by the scheme Actuary and advised to the School by the Scheme Administrator.

The cost of providing benefits under retired benefits plans was determined based on actuarial advice.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1 Accounting Policies (Continued)

Income recognition

All income is recognised when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities and sale of goods, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for it. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA.

Capital expenditure:

Freehold property will be capitalised and depreciated over 50 years. Regular valuations, other than for insurance purposes, are not considered to be of any benefit to the Trustees.

Fixtures & equipment will be capitalised and depreciated at 20% per annum on a straight-line basis. Any single item costing £1,000 or less will be written off.

Computer equipment is depreciated at 100% on a straight-line basis.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market value. The increase or decrease in fair value is credited or charged to the endowment fund in the statement of financial activities as unrealised gains or losses on investments. Income from the endowment fund is unrestricted.

Donations, legacies and grants

Donations, legacies and grants are credited to income as they are received.

Designated funds

The trustees set aside amounts within unrestricted funds for designated expenditure. The designated fund balances do not affect the statement of financial activities.

Leasing

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

1 Accounting Policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

1 Accounting Policies (Continued)

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2	Net income/(expenditure)	2025 £	2024 £
	Net income/(expenditure) is stated after charging:		
	Depreciation of tangible assets	190,092	187,068
	Operating lease rentals	68,793	64,391
	Auditors remuneration - audit	7,000	7,000
	- other services	-	18,400
		197,885	276,859
3	Investment income	2025 £	2024 £
	Interest received	983	1,207
	Dividends	24,845	20,985
		25,828	22,192
4	Income from charitable activities	2025 £	2024 £
	Fees : Standard	9,410,445	6,524,214
	: Additional services	35,783	1,817,856
	: College	2,293,856	1,316,877
	: Boothroyd House	481,650	274,090
	: ESFA funding grant	516,696	589,612
	Other grants	609,915	499,016
	Other generated income	37,566	31,701
		13,385,911	11,053,366

Grants comprise mainly of ESFA funding towards education.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

5	Establishment costs	2025	2024
		£	£
	Cleaning	27,038	36,068
	Maintenance and security	508,840	408,748
	Heat and light	157,013	183,277
	Rent and Water	79,518	71,861
	Insurance	166,474	92,938
	Office costs	148,602	153,718
	Professional fees	73,644	68,193
		<hr/>	<hr/>
		1,161,129	1,014,803
		<hr/>	<hr/>
6	Education and Welfare Costs	2025	2024
		£	£
	Education costs	434,815	198,149
	ICT	110,197	97,311
	Catering	262,728	215,650
	Housekeeping and laundry	46,969	50,694
	Motor and travel	103,125	104,562
	Training	187,125	132,495
	Care	222,738	161,375
	Other	12,832	6,818
	School Improvement Plan – designated fund expenditure	406,076	426,203
	Other restricted and designated fund expenditure	150,302	159,270
		<hr/>	<hr/>
		1,936,907	1,552,527
		<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

7 Tangible Fixed Assets

	Freehold Land & Buildings £	Computers £	Fixtures & Equipment £	Total £
Cost				
1 April 2024	8,202,836	57,242	503,496	8,763,574
Additions	25,038	-	-	25,038
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2025	8,227,874	57,242	503,496	8,788,612
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 April 2024	2,121,731	57,242	429,560	2,608,533
Charge for year	162,078	-	28,014	190,092
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2025	2,283,809	57,242	457,574	2,798,625
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
31 March 2025	5,944,065	-	45,922	5,989,987
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2024	6,081,105	-	73,936	6,155,041
	<hr/>	<hr/>	<hr/>	<hr/>

8 Investments
Movement in fixed asset investments

	2025 £	2024 £
Market value at 1 April 2024	1,085,485	1,001,862
Additions at cost	248,891	256,629
Disposals	(242,745)	(234,613)
Net (losses) / gains on revaluations	(19,903)	61,607
	<hr/>	<hr/>
Market value at 31 March 2025	1,071,728	1,085,485
	<hr/>	<hr/>
Investments at market value comprised:		
Charities Official Investment Fund	64,420	66,606
Listed investments:		
Equities	636,672	565,420
Fixed interest securities	250,047	249,327
Alternatives	100,366	128,904
Property	20,223	48,679
Emerging markets	-	26,549
	<hr/>	<hr/>
	1,071,728	1,085,485
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

9	Financial instruments		2025	2024
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		1,079,660	149,541
			<hr/>	<hr/>
	Carrying amount of financial liabilities			
	Measured at amortised cost		493,924	1,511,300
			<hr/>	<hr/>
10	Debtors		2025	2024
			£	£
	Trade debtors		1,001,433	147,806
	Other debtors		78,227	1,735
	Prepayments		48,936	56,567
			<hr/>	<hr/>
			1,128,596	206,108
			<hr/>	<hr/>
11	Creditors: amounts falling due within one year		2025	2024
			£	£
	Trade creditors		290,100	149,069
	Other taxes and social security		148,627	125,445
	Other creditors		96,867	120,600
	Accruals and deferred income		106,956	1,241,631
			<hr/>	<hr/>
			642,550	1,636,745
			<hr/>	<hr/>
12	Reserves			
		Unrestricted	Restricted	Endowment
		£	£	£
				Total
				£
	Brought forward	8,085,534	176,669	723,849
	Surplus/(deficit) for the year	1,699,513	(46,289)	-
	Net gains on valuations	(16,842)	-	(2,186)
		<hr/>	<hr/>	<hr/>
		9,768,205	130,380	721,663
		<hr/>	<hr/>	<hr/>
				10,620,248
				<hr/>

Restricted funds represent grants and donations invested in buildings of £103,798 and the unspent portion of other grants totalling £26,582.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

12 Reserves (Continued)

Analysis of Net Assets between Funds

	2025	2025	2025	2024	2024	2024
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment
	£	£	£	£	£	£
Fixed assets	5,228,946	103,797	657,244	5,390,080	107,718	657,243
Investments	1,007,309	-	64,419	1,018,879	-	66,606
Stock and debtors	1,178,885	-	-	263,363	-	-
Cash and bank	2,995,615	26,583	-	3,049,957	68,951	-
Creditors	(642,550)	-	-	(1,636,745)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,768,205	130,380	721,663	8,085,534	176,669	723,849
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13 Transactions with Trustees

During the financial year The Smith Foundation was invoiced £1,542 (2024: £13,068) by PSK Building Surveyors Limited for property consultancy. R Tilbrook was a trustee of The Smith Foundation and a director and shareholder of PSK Building Surveyors Limited during the year. A balance of £Nil (2024: £1,800) was due to PSK Building Surveyors Limited at the year end.

During the financial year The Smith Foundation was invoiced £35,375 (2024: £30,266) by Cuffe and Lacey Associates Limited for RI duties at Boothroyd House. M Cuffe is a trustee of the Smith Foundation and a director and shareholder of Cuffe and Lacey Associates Limited. A balance of £2,647 (2024: £2,131) was due to Cuffe and Lacey Associates Limited at the year end.

14 Expenditure

	2025	2024
	£	£
Staff costs		
Wages and salaries	6,764,071	5,967,850
Social security costs	620,951	519,208
Pension costs (see note 15)	1,172,649	883,423
	<hr/>	<hr/>
	8,557,671	7,370,481
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

14 Expenditure (Continued)

Staff earning over £60,000	2025 Number	2024 Number
Employees with emoluments falling within the following bands:		
£60,001 to £70,000	2	2
£70,001 to £80,000	2	1
£80,001 to £90,000	3	2
£90,001 to £100,000	-	1
£100,001 to £110,000	2	-
£110,001 to £120,000	-	1
	<hr/>	<hr/>

Pension costs were £196,800 (2024: £166,167). 9 employees (2024: 7) were accruing benefits under defined contribution schemes and no employees were accruing benefits under defined benefit schemes.

Average number of employees:	2025 £	2024 £
Senior Leadership Team	7	7
Teaching Department	47	41
Care	17	18
Therapy	21	18
Administration	19	18
Maintenance	12	10
Cleaning	12	8
Domestic	7	7
Education Support	45	48
College	34	29
Boothroyd House	8	8
	<hr/>	<hr/>
	229	212
	<hr/>	<hr/>

No remuneration was paid to any of the trustees. Expenses of £253 (2024: £319) were reimbursed to one trustee during the year.

The key management team received remuneration of £698,236 (2024: £568,579).

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

15 Pensions

	2025	2024
	£	£
Contributions payable by the Foundation for the employees:		
Teachers Pension	380,267	270,206
West Yorkshire Pension Fund	-	275,941
Peoples Pension	792,382	337,276
	1,172,649	883,423
Contributions outstanding at the yearend:		
Teachers Pension	42,952	35,679
Peoples Pension	-	58,208
	42,952	93,887
	42,952	93,887

Teachers Pension

The school contributes to the Teachers Pension Scheme (England & Wales) for the teaching staff. The assets of these funds are held separately from The Smith Foundation.

The Teachers Pension Scheme is a multi-employer defined benefits scheme, to which the school pays contributions at the rate set by the Scheme Actuary (currently 28.68% (2024: 23.68%) of pensionable earnings). The school has no responsibility for or benefit from any deficit or surplus of this Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school and it is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are accounted for when they fall due.

Peoples Pension

The charity also operates a defined contribution scheme for qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund was also a multi-employer defined benefits scheme but in this case the school was required to make up the deficit of the Scheme relating to their employees and former employees. At the last valuation of the West Yorkshire Pension Fund made as at 31 March 2022 and published 31 March 2023 the scheme was assessed to have a deficit.

The scheme was closed to new members during the year ended 31 March 2018.

The remaining 37 active members became deferred members of the scheme on 31 August 2023 and the school exited the pension scheme on 31 March 2024 (see note 18).

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

16 Financial Commitments

At 31 March 2025 the charity was committed to making the following payments under non-cancellable operating leases: -

	Plant & Machinery	
	2025	2024
	£	£
Leases expiring in: -		
< 1 year	17,257	12,313
2-5 years	153,743	163,079
	171,000	175,392

17 Events after the reporting date

Transfer of Charitable Activities to the Company

In pursuit of our mission to enhance the efficiency and sustainability of our charitable initiatives, a strategic decision was made to transfer the management and operation of our charitable activities to a newly formed company limited by guarantee – William Henry Smith Foundation.

This transfer was carried out on 1st October 2025. The establishment of William Henry Smith Foundation allows for enhanced focus and dedicated resources in furthering our charitable objectives.

18 Extraordinary item

Exit from West Yorkshire Pension Fund (WYPF)

During the year ended 31 March 2023, the Foundation decided to conclude its membership in the West Yorkshire Pension Fund (WYPF). This decision was made as part of our broader financial and operational restructuring efforts to better align our resources with our long-term strategic goals.

The Charity ceased participation of WYPF on 31 August 2023 and entered into a Deferral Debt Agreement which terminated on 31 March 2024.

The Funds Actuary carried out an exit valuation as at 31 March 2024 and determined the amount required to exit the scheme as at 31 March 2024 to be £1,200,000. This amount was paid in full on 19 July 2024.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

19 Comparative Statement of Financial Activities

	Note	Unrestricted	Restricted	Endowment	2024 Total
		£	£	£	£
Income and endowments from:					
Charitable activities	4	10,905,017	148,349	-	11,053,366
Investment activities	3	22,192	-	-	22,192
Total income		10,927,209	148,349	-	11,075,558
Expenditure on:					
Charitable activities:					
Salaries	14	7,370,481	-	-	7,370,481
Establishment costs	5	1,014,803	-	-	1,014,803
Education & welfare	6	1,393,257	159,270	-	1,552,527
		9,778,541	159,270	-	9,937,811
Support and governance costs:					
Interest payable - pension		-	-	-	-
Depreciation		183,149	3,919	-	187,068
Professional fees		25,303	-	-	25,303
Clerk charges & subscriptions		27,120	-	-	27,120
Auditor remuneration		25,400	-	-	25,400
Actuary fees		-	-	-	-
Investment activities:					
Investment management fees		12,738	-	-	12,738
Total expenditure		10,052,251	163,189	-	10,215,440
Net income before investment gains/(losses)		874,958	(14,840)	-	860,118
Net (losses)/gains on investments		55,202	-	6,405	61,607
Net income/(expenditure)	2	930,160	(14,840)	6,405	921,725
Transfers between funds		(1,725)	1,725	-	-
Actuarial (loss)/gain on defined benefit pension scheme		-	-	-	-
Extraordinary item – Pension scheme exit	18	(1,200,000)	-	-	(1,200,000)
Net movement in funds		(271,565)	(13,115)	6,405	(278,275)
Reconciliation of funds:					
Total funds brought forward		8,357,099	189,784	717,444	9,264,327
Total funds carried forward	12	8,085,534	176,669	723,849	8,986,052

All incoming resources and resources expended derive from continuing activities.

THE SMITH FOUNDATION

England & Wales - Charity number 529132

Accounts

Fully
signed

**THE SMITH FOUNDATION
ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024**

The Smith Foundation
Boothroyd
BRIGHOUSE
West Yorkshire
HD6 3JW
Tel: 01484 710123 Fax: 01484 721658
E-mail: secretaryoftrust@whsschool.org.uk

THE SMITH FOUNDATION

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Cash flow statement	12
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THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2024

Administrative Details, Trustees and Advisers

The Smith Foundation (529132) is governed by a Charity Commission Scheme dated 4 August 1998 amended by resolutions dated 20 June 2000, 5 July 2011 and 2 February 2023.

The office for all correspondence is:

The Smith Foundation, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Present Trustees of the Foundation are:

Roger Tilbrook, Chair
Brendan Heneghan, Vice Chair
David Duncan
Michelle Cuffe

Key officers

Trust Secretary: Vanessa Talbot

William Henry Smith School, sixth form & college

Sue Ackroyd, CEO/Executive Principal
Damien Talbot, Deputy Principal
Leanne Clarke, Deputy Principal
Karl Adamski, Head of School

Tom Gilbody, Vice Principal
Georgina Poole, Vice Principal
Rachael Johnson, Vice Principal
Sarah Kaler, Vice Principal

Trust Advisers and Agents:

Bankers

Lloyds Bank plc
6/7 Park Row
LEEDS
LS1 1NX

Solicitors

Weightmans LLP
Westgate Point
Westgate
LEEDS
LS1 2AX

Auditors

Firth Parish, Chartered Accountants
1 Airport West
Lancaster Way
Yeadon
LEEDS
LS19 7ZA

Land & Valuation Chartered Surveyors

Carter Jonas
Manor House
Nabbs Lane
Slaithwaite
HUDDERSFIELD
HD7 5AU

Health & Safety Consultants

Senior H & S Advisor
Calderdale H & S Department
Calderdale MBC

Chartered Building Surveyors & Project Management TBC - The Foundation are currently conducting a competitive tendering process to identify new independent property advisors for the Foundation. In the interim period ad hoc advice, if required, is sought from appropriate consultants.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2024

Historical Context

The Smith Foundation originates from a Trust established on the 16th of August 1916 by William Smith. The main purpose of that Trust was to establish a Home for orphan girls. This was changed to a home for boys and girls under a scheme of 1923 just after William died in 1922. The bulk of his estate had been intended for his cousin's adopted son William Henry Smith but unhappily he was killed in the 1914-18 war so this money too was passed to the Trust. The homes continued through the 1920's, 1930's and through the 1939-45 war. During the war they took in children from The Sailors' Orphan Home in Hull and also the school was used as a transit home for children from Sheffield.

In 1951 a scheme changed the name of the Trust to The Smith Homes. This came about following an approach by the Ministry of Education after the enactment of the 1948 Children's Act. The revised scheme allowed the continuance of the Homes for a limited time but added an authority for the Trustees to make grants to special schools and to establish special schools of their own.

Grants were made to Breckenborough and Chaigley School and Holly Bank House was purchased by the Trust to convert into a Special School for Physically disabled children. This School was opened in 1953 and was run by the Trust until 1998 when it was handed over to the newly formed Holly Bank Trust.

By the end of 1959 the last of the children left the Homes and by then plans were in hand to open a further residential special school in the buildings. The William Henry Smith School opened in September 1961 for 48 boys. In December of the following year the Charity Commission made a scheme that changed the name of the Trust to The Smith Foundation.

Over the next 30 years the school developed its education and social provision becoming recognised as a specialist school for boys experiencing social, emotional and mental health difficulties, becoming very much a part of the national spectrum of special needs provision. During this period the Trustees with the help of the DfES provided a new science building, new kitchen and then portable classrooms and a Gymnasium. In the early 1990's it became clear that the residential accommodation needed to be replaced and the Trustees provided two new houses using some of their capital and money raised from Trusts.

In 1994 the Trustees commissioned a feasibility study that identified a plan to maximise the use of existing buildings through conversion and refurbishment to create new teaching facilities to allow the school to meet the challenges of the new millennium.

Since that time each summer there has been building work to fulfil the plan as money has allowed. This has seen the whole site transformed with derelict buildings becoming teaching and communal facilities, single en-suite bedrooms for all the boys and recreation improvements in the houses on the Care side of the school. On the Education side all the original temporary classrooms have been rebuilt to provide permanent accommodation; an IT suite, Assembly Hall, Design and Technology Rooms, Art Room, Music Room, Sports Hall, Life Skills Kitchen and a new therapy suite have been provided. There has also been onsite expansion in recent years including the addition of a new building for Commissioned Services in 2019 and in 2020, which will be used as a learning space for new students from September 2023. The Foundation also purchased a former B&B which has been developed and has been used as a 52-week children home from late 2023, known as Boothroyd House.

In 2021 the Trustees purchased a further property offsite which was a former day nursery in Elland (Willow) which has been operating as a College since September 2023. Last financial year work was also completed on converting Lowry house, from residential accommodation to a state of the art therapy building. Houses 5 and 6 were also converted during summer 2022 into a 4 bedroomed residential provision.

In 2023 Corbett classroom was created, a dedicated tenth learning group specialising in Communication and Interaction and Sensory Processing and we opened New Beginnings in the building previously known as Sycamore. This nurturing, needs-led space provides students with the individualised support and structure they require to ensure a smooth transition into school. In addition to our College building (Willow) we have now secured the rental of the building next to it (Fordsall House) to enable the expansion of our college offer. Fordsall has been adapted to create an office, classrooms and conference facilities.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2024

A final scheme was established by the Charity Commission in 1998 that revised the membership requirements for Trustees and the objects of the charity (amended by resolutions dated 20 June 2000, 5 July 2011 and 2 February 2023 (The 2023 amendments were to reduce the number of Trustees and provide the power to Incorporate). The aim was to convert to a charitable company limited by guarantee by 1st September this year when the year end will also alter to 31 August to align with the academic year. Complications have meant that The Foundation remain committed to achieving this transformation.

The instruments and articles of the governing body of the school were revised at that time and approved by the DfES in 1999. The governing body was reconstituted during the academic year 1999/2000. These have been further revised on 7th March 2023 and 4th July 2023. The revisions were to amend the number and makeup of the Governing Body and to reflect the name change of the School to include Sixth Form and College.

Structure, Governance and Management

Constitution

The Trust is governed by a Charity Commission Scheme dated 4 August 1998, as varied by a resolution of the Trustees dated 20 June 2000, and further resolutions dated 5 July 2011 and 2 February 2023. Trustees terms are reviewed every five years.

All Trustees are nominated by current Trustees. In making appointments to the Trust, Trustees "shall have regard to the desirability of appointing persons". When vacancies arise, Trustees seek expressions of interests. So far this approach with prospective Trustees suggested by the present Trust body had provided a representative and active group of Trustees. When looking at vacancies the Trust considers the skills and experience gap in their body.

All prospective Trustees are informally interviewed by the chairperson, who at that time makes verbal checks on the eligibility of Trustees. Each new Trustee is given an induction pack containing the charity's governing document, the Instruments and Articles of the school, sixth form & college, annual reports, together with previous meeting minutes of the Trust and Governing body. They are given a tour of the Trust grounds and meet senior members of the school, sixth form & college management as well as the Trust secretary. DBS and the other relevant checks are initiated before a Trustee is finally accepted. At the first meeting of the Trust they attend they formally sign the minutes book declaration.

The Trust secretary has reported that all Trustees have completed DBS checks in relation to Trustee's appointments, adding that since the Commission's Scheme sealed on 4th August 1998 all Trustees have signed a statement as follows:- "I the undersigned hereby declare that I am willing to accept the office and appointment of Trustee of The Smith Foundation and of acceptance and willingness to act in the Trusts of the scheme approved and established by the Charity Commission on the 4th August 1998".

Organisational structure

The Trustees delegate the running of the school, sixth form & college to the governing body. They operate under Instruments and Articles approved by the DfES in 1999. These have been further revised 7th March 2023 and 4th July 2023. The establishment of the governing body is up to 13 members: 2 Trustees, the Principal, 1 parent representative, 1 teaching staff representative, 1 non-teaching staff representative, 1 employed by a Local Authority, 2 from a professional background and 4 other persons deemed suitable by the Governing Body to enhance the skillset.

The Governing body in turn delegate the day to day running of the school & sixth form & college to the SLT and ELT. In practice this means that the Trustees have final responsibility for the school, sixth form & college staffing complement, audit and banking, insurance and security. They have joint responsibility with the governors and CEO/Executive Principal for Admissions, Terms and Holiday dates, financial budgeting in the school, sixth form & college, Prospectus, the use of the premises, all statutory policies such as Health & Safety, Religious Education and Sex Education. The Governors and CEO/Executive Principal are jointly responsible for Staffing, Curriculum policy, welfare and child protection. The CEO/Executive Principal is solely responsible for the organisation of the curriculum and the day-to-day running of the school, sixth form & college. The governors do not sit over Boothroyd House but the trustees do.

The Governors fulfil these functions through three sub committees for Finance, Education and Premises.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2024

Risk Assessment

During the year the Trustees have carried out a review of the risk assessment and confirm that all major risks have been reviewed and action plans are in place to mitigate these risks. The Emergency Plan and Business Continuity Plan are subject to regular review.

Objectives and Activities

Objective

- (a) To promote the education of children who have special educational needs, and in particular but in no way limiting the generality of the foregoing by the provision of a special school, sixth form & college within the meaning of the education acts; and
- (b) To promote the general welfare of children and young persons requiring assistance who have or have had special educational needs, with preference for students and former pupils of the school, sixth form & college of the charity.

Mission Statement

The Trust fulfils its objects by empowering everyone to become the best they can be through granting equity of access to provision of life enhancing opportunities leading to achievement, fulfilment and happiness.

Our vision supported by our whole community of services is to provide outstanding individualised education, care, welfare and support for children and young people experiencing social, emotional and mental health difficulties.

The Trustees recognise their three principal functions as:

- i) Overseeing the working and development of The William Henry Smith School, sixth form & college, and Boothroyd House through the work of the Governing Body and designated lead Trustees;
- ii) The safeguarding of the assets including finance, building and grounds in their care, and;
- iii) Planning for the future use of property and other assets.

Activities

To meet these objectives the Trustees, the Governors of the school, sixth form & college, the Principal as Chief Executive Officer and senior members of staff have worked together on the continued development of the services. The Trustees for their part have continued to provide finance for capital development and have worked alongside the senior staff in developing a 5-year strategic plan covering all areas of the school, sixth form & college. The return on investment has been carefully forecast.

Once again, a principal activity of Trustees this year has been that of critical friends, being active members of the school, sixth form & college's governing body and working alongside the Principal and the senior staff in examining and promoting the Self-Evaluation and Improvement Plan.

Staff training continues to be a vital part of the Foundations operation. The Foundation actively aids all staff development to the long-term benefit of the school, sixth form, college and Children's Home.

Achievement & Performance

The school & sixth form was awarded an 'Outstanding' rating by Ofsted in all eight areas of operation, including the nineteenth consecutive outstanding rating for 'Care'. A splendid achievement for which we are all immensely proud.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2024

Financial

The financial statements are prepared in accordance with the Charities Statement of Recommended Practice (FRS102) and Financial Reporting Standard 102.

During the year ended 31 March 2023, the Foundation decided to conclude its membership in the West Yorkshire Pension Fund (WYPF). This decision was made as part of our broader financial and operational restructuring efforts to better align our resources with our long-term strategic goals.

The Charity ceased participation of WYPF on 31 August 2023 and entered into a Deferral Debt Agreement which terminated on 31 March 2024.

The Funds Actuary carried out an exit valuation as at 31 March 2024 and determined the amount required to exit the scheme as at 31 March 2024 to be £1,200,000.

This amount has therefore been included as an extraordinary charge in these accounts and was paid in full on 19 July 2024.

Reserves Policy

The level of capital investment required in the 5-year strategic plan continues to be balanced against the need to maintain cash reserves at 50% of annual running costs. This is continually monitored.

Plans for Future Periods

4G pitch, artificial grass to replace existing grass outside New Beginnings and at Boothroyd House. Windows replaced in Farm House. Combi boiler to Farm House replacing several individual small water heaters. Sixth form boys are moving into Newton to create a bigger living area to accommodate placements in September. Newton students will be moving to other houses. Seeking a long-term lease for the car park to support the College and Fordsall House.

Future Prospects

The Trustees are confident for the future. This confidence is bolstered by a strong school, sixth form, college and children's home management team, with excellent leadership and a balanced achievable strategy to deliver excellent results in ensuring student and resident numbers are maintained and a high level of success in education and care. Other income streams such as college and 52-week will further supplement income.

Further Information & News

The school, sixth form & college management team under the leadership of Sue Ackroyd has produced excellent results in the further development of the school, sixth form & college in teaching, care and learning to bring out the full potential of the boys in the school, sixth form & college. This success is further recognised in the finances of the Trust and gives us confidence to pursue further our improvement plans.

Please visit our new website at www.whsschool.org.uk

Statement of Disclosure to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors is unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Public Benefit

In identifying the activities that the charity will undertake, the Trustees complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2024

Statement of Trustees' Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the policies adopted are in accordance with the Charities (Accounts & Reports) Regulations 2008 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved on behalf of the Board of Trustees and signed on their behalf by:



Roger J Tilbrook MRICS
Chair of Trust

3 December 2024

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Opinion

We have audited the financial statements of The Smith Foundation (the "Charity") for the year ended 31 March 2024 which comprise of the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements. 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 Charity's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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

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

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Responsibilities of the trustees

As explained more fully in the statement of the trustees responsibilities set out on page 6, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the executive committee either intend to liquidate the Charity 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 of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

The extent to which the audit is capable of detecting irregularities, including fraud, is affected by the inherent difficulties in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities resulting from fraud usually are inherently more difficult to detect than irregularities that result from error.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered: the nature of the industry and sector, control environment and business performance including the charity's remuneration policies; the results of our enquiries of management about their own identification and assessment of the risks or irregularities; any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations. We also considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We assessed the effectiveness of the internal control environment for minimising the incidences of irregularities and considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for irregularities including fraud to be in the following areas: the completeness of income, the operation and accounting for cut off around the year end date and the ability of management to override controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, as amended by the Charities Act 2022. 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 may be fundamental to the Charity's ability to operate to avoid a material penalty.

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Audit response to risks identified

We tested the operation of the sales system by checking that a sample of pupils resulted in the recognition of corresponding income. We addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Board that represented a risk of material misstatement due to fraud.

In addition to the above, our procedures to respond to risks identified included the following: reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and in addressing the risk of fraud through management override of controls, assessing whether the judgements made in making accounting estimates were indicative of a potential bias and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Firth Parish is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Firth Parish
Chartered Accountants
Statutory Auditor

3 December 2024

1 Airport West
Lancaster Way
Yeadon
Leeds
West Yorkshire
LS19 7ZA

THE SMITH FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	Endowment £	2024 Total £	2023 Total £
Income and endowments from:						
Charitable activities	4	10,905,017	148,349	-	11,053,366	9,715,108
Investment activities	3	22,192	-	-	22,192	12,241
Total income		10,927,209	148,349	-	11,075,558	9,727,349
Expenditure on:						
Charitable activities:						
Salaries	14	7,370,481	-	-	7,370,481	6,237,485
Establishment costs	5	1,014,803	-	-	1,014,803	1,008,014
Education & welfare	6	1,393,257	159,270	-	1,552,527	1,476,838
		9,778,541	159,270	-	9,937,811	8,722,337
Support and governance costs:						
Interest payable - pension		-	-	-	-	20,000
Depreciation		183,149	3,919	-	187,068	180,763
Professional fees		25,303	-	-	25,303	12,475
Clerk charges & subscriptions		27,120	-	-	27,120	25,902
Auditor remuneration		25,400	-	-	25,400	24,460
Actuary fees		-	-	-	-	2,292
Investment activities:						
Investment management fees		12,738	-	-	12,738	11,668
Total expenditure		10,052,251	163,189	-	10,215,440	8,999,897
Net income before investment gains/(losses)		874,958	(14,840)	-	860,118	727,452
Net (losses)/gains on investments		55,202	-	6,405	61,607	(28,340)
Net income/(expenditure)	2	930,160	(14,840)	6,405	921,725	699,112
Transfers between funds		(1,725)	1,725	-	-	-
Actuarial (loss)/gain on defined benefit pension scheme		-	-	-	-	1,020,000
Extraordinary item - Pension scheme exit	18	(1,200,000)	-	-	(1,200,000)	-
Net movement in funds		(271,565)	(13,115)	6,405	(278,275)	1,719,112
Reconciliation of funds:						
Total funds brought forward		8,357,099	189,784	717,444	9,264,327	7,545,215
Total funds carried forward	12	8,085,534	176,669	723,849	8,986,052	9,264,327

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by funds in note 19 of the accounts.

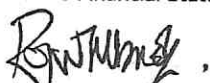
THE SMITH FOUNDATION

BALANCE SHEET

as at 31 March 2024

	Note	2024	2023
		£	£
Fixed assets			
Land & buildings	7	6,081,105	6,075,545
Furniture & equipment	7	73,936	78,559
Investments	8	1,085,485	1,001,862
		<hr/>	<hr/>
		7,240,526	7,155,966
Current assets			
Stocks		57,255	54,320
Debtors	10	206,108	202,931
Cash at bank and in hand		3,118,908	2,355,323
		<hr/>	<hr/>
		3,382,271	2,612,574
Liabilities			
Creditors falling due within one year	11	(1,636,745)	(504,213)
		<hr/>	<hr/>
Net current assets		1,745,526	2,108,361
		<hr/>	<hr/>
Total net assets		8,986,052	9,264,327
		<hr/>	<hr/>
The funds of the charity:			
Endowment funds		723,849	717,444
Restricted income funds		176,669	189,784
Unrestricted income funds:			
Unrestricted funds		7,958,534	8,155,096
School Improvement Plan designated fund		127,000	202,003
		<hr/>	<hr/>
Total charity funds	12	8,986,052	9,264,327
		<hr/>	<hr/>

These Financial Statements were approved by the Trustees on 3 December 2024 and signed on their behalf by



Roger J Tilbrook MRICS
Chair of Trust

3 December 2024

THE SMITH FOUNDATION
STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2024	2023
	£	£
Net income for the year (as per the statement of financial activities)		
Add back depreciation charge	921,725	699,112
Deduct interest income shown in investing activities	187,068	180,763
Net (gains)/losses on investments	(22,192)	(12,241)
(Increase)/decrease in stocks	(61,607)	28,340
(Increase)/decrease in debtors	(2,935)	73
Increase/(decrease) in creditors	(3,177)	85,345
FRS102 pension adjustment	1,132,532	(60,115)
Extraordinary item – pension scheme exit	-	20,000
	(1,200,000)	-
	<hr/>	<hr/>
Net cash provided by operating activities	951,414	941,277
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	22,192	12,241
Purchase of property, plant and equipment	(188,005)	(996,290)
Purchase of listed investments	(256,629)	(705,806)
Proceeds on sale of listed investments	234,613	20,134
	<hr/>	<hr/>
Net cash used in investing activities	(187,829)	(1,669,721)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	763,585	(728,444)
	<hr/>	<hr/>
Cash and cash equivalents brought forward	2,355,323	3,083,767
	<hr/>	<hr/>
Cash and cash equivalents carried forward	3,118,908	2,355,323
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1 Accounting Policies

Charity Information

The Smith Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The public address is William Henry Smith School, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Basis of preparation and assessment of going concern

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with FRS 102, with the requirements of the Charities Act 2011 and under the historical cost convention as modified by the revaluation of investments assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

The Trustees believe that the Foundation is a going concern because it has a strong balance sheet, good leadership and management to ensure boy numbers are maintained at a satisfactory level.

Stocks

Stocks are held for distribution at no or nominal consideration. Stocks are valued at the lower of cost and replacement cost.

Pensions

The charity contributed primary contributions to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity also contributed primary contributions to a Defined Benefits pension scheme for non-teaching staff until 31 August 2023 when the charity became a deferred employer and secondary contributions until 31 March 2024 when the charity exited the scheme. Rates were set by the scheme Actuary and advised to the School by the Scheme Administrator.

The cost of providing benefits under retired benefits plans was determined based on actuarial advice.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1 Accounting Policies (Continued)

Income recognition

All income is recognised when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities and sale of goods, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for it. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity was not registered for VAT during the year and accordingly expenditure is shown including the irrecoverable VAT.

Capital expenditure:

Freehold property will be capitalised and depreciated over 50 years. Regular valuations, other than for insurance purposes, are not considered to be of any benefit to the Trustees.

Fixtures & equipment will be capitalised and depreciated at 20% per annum on a straight-line basis. Any single item costing £1,000 or less will be written off.

Computer equipment is depreciated at 100% on a straight-line basis.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market value. The increase or decrease in fair value is credited or charged to the endowment fund in the statement of financial activities as unrealised gains or losses on investments. Income from the endowment fund is unrestricted.

Donations, legacies and grants

Donations, legacies and grants are credited to income as they are received.

Designated funds

The trustees set aside amounts within unrestricted funds for designated expenditure. The designated fund balances do not affect the statement of financial activities.

Leasing

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

1 Accounting Policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

1 Accounting Policies (Continued)

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Net income/(expenditure)

	2024	2023
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation of tangible assets	187,068	180,763
Operating lease rentals	64,391	51,754
Auditors remuneration - audit	7,500	7,500
- other services	18,400	16,960
	187,068	180,763

3 Investment income

	2024	2023
	£	£
Interest received	1,207	1,570
Dividends	20,985	10,671
	22,192	12,241

4 Income from charitable activities

	2024	2023
	£	£
Fees : Standard	6,524,214	5,468,983
: Additional services	1,817,856	1,953,303
: College	1,316,877	1,246,184
: Boothroyd House	274,090	-
: ESFA funding grant	589,612	574,909
Other grants	499,016	421,171
Other generated income	31,701	50,558
	11,053,366	9,715,108

Grants comprise mainly of ESFA funding towards education.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

5 Establishment costs	2024	2023
	£	£
Cleaning	36,068	125,837
Maintenance and security	408,748	467,527
Heat and light	183,277	120,195
Rent and Water	71,861	25,778
Insurance	92,938	95,581
Office costs	153,718	126,754
Professional fees	68,193	46,342
	<hr/>	<hr/>
	1,014,803	1,008,014
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6 Education and Welfare Costs	2024	2023
	£	£
Education costs	198,149	142,744
ICT	97,311	107,994
Catering	215,650	182,123
Housekeeping and laundry	50,694	44,674
Motor and travel	104,562	84,371
Training	132,495	162,432
Care	161,375	224,786
Other	6,818	7,948
School Improvement Plan – designated fund expenditure	426,203	410,290
Other restricted and designated fund expenditure	159,270	109,476
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	1,552,527	1,476,838
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THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

7 Tangible Fixed Assets

	Freehold Land & Buildings £	Computers £	Fixtures & Equipment £	Total £
Cost				
1 April 2023	8,035,699	57,242	482,628	8,575,569
Additions	167,137	-	20,868	188,005
	<u>8,202,836</u>	<u>57,242</u>	<u>503,496</u>	<u>8,763,574</u>
31 March 2024				
Depreciation				
1 April 2023	1,960,154	57,242	404,069	2,421,465
Charge for year	161,577	-	25,491	187,068
	<u>2,121,731</u>	<u>57,242</u>	<u>429,560</u>	<u>2,608,533</u>
31 March 2024				
Net Book Value				
31 March 2024	6,081,105	-	73,936	6,155,041
31 March 2023	6,075,545	-	78,559	6,154,104

8 Investments
Movement in fixed asset investments

	2024 £	2023 £
Market value at 1 April 2023	1,001,862	344,530
Additions at cost	256,629	705,806
Disposals	(234,613)	(20,134)
Net gains / (losses) on revaluations	61,607	(28,340)
	<u>1,085,485</u>	<u>1,001,862</u>
Market value at 31 March 2024		
Investments at market value comprised:		
Charities Official Investment Fund	66,606	60,200
Listed investments:		
Equities	565,420	554,575
Fixed interest securities	249,327	163,161
Alternatives	128,904	159,443
Property	48,679	37,667
Emerging markets	26,549	26,816
	<u>1,085,485</u>	<u>1,001,862</u>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

9	Financial instruments		2024	2023
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		149,541	181,906
			<hr/>	<hr/>
	Carrying amount of financial liabilities			
	Measured at amortised cost		1,511,300	395,791
			<hr/>	<hr/>
10	Debtors		2024	2023
			£	£
	Trade debtors		147,806	179,673
	Other debtors		1,735	2,233
	Prepayments		56,567	21,025
			<hr/>	<hr/>
			206,108	202,931
			<hr/>	<hr/>
11	Creditors: amounts falling due within one year		2024	2023
			£	£
	Trade creditors		149,069	182,324
	Other taxes and social security		125,445	108,422
	Other creditors		120,600	133,411
	Accruals and deferred income		1,241,631	80,056
			<hr/>	<hr/>
			1,636,745	504,213
			<hr/>	<hr/>
12	Reserves			
		Unrestricted	Restricted	Endowment
		£	£	£
				Total
				£
	Brought forward	8,357,099	189,784	717,444
	Surplus/(deficit) for the year	874,958	(14,840)	-
	Net gains on valuations	55,202	-	6,405
	Transfers between funds	(1,725)	1,725	-
	Extraordinary item			
	– Pension scheme exit	(1,200,000)	-	-
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THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

12 Reserves (Continued)

Analysis of Net Assets between Funds

	2024 Unrestricted £	2024 Restricted £	2024 Endowment £	2023 Unrestricted £	2023 Restricted £	2023 Endowment £
Fixed assets	5,390,080	107,718	657,243	5,385,224	111,636	657,244
Investments	1,018,879	-	66,606	941,661	-	60,200
Stock and debtors	263,363	-	-	257,251	-	-
Cash and bank	3,049,957	68,951	-	2,277,176	78,148	-
Creditors	(1,636,745)	-	-	(504,213)	-	-
	<u>8,085,534</u>	<u>176,669</u>	<u>723,849</u>	<u>8,357,099</u>	<u>189,784</u>	<u>717,444</u>

13 Transactions with Trustees

During the financial year the Smith Foundation was invoiced £13,068 (2023: £55,062) by PSK Building Surveyors Limited for property consultancy. R Tilbrook and G McIntosh were trustees of the Smith Foundation and directors and shareholders of PSK Building Surveyors Limited during the year. A balance of £1,800 (2023: £Nil) was due to PSK Building Surveyors Limited at the year end.

During the financial year the William Henry Smith School was invoiced £30,266 (2023: £20,461) by Cuffe and Lacey Associates Limited for RI duties at Boothroyd House. M Cuffe is a trustee of the Smith Foundation and a director and shareholder of Cuffe and Lacey Associates Limited. A balance of £2,131 (2023: £Nil) was due to Cuffe and Lacey Associates Limited at the year end.

14 Expenditure

Staff costs	2024 £	2023 £
Wages and salaries	5,967,850	4,939,749
Social security costs	519,208	452,891
Pension costs (see note 15)	883,423	844,845
	<u>7,370,481</u>	<u>6,237,485</u>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

14 Expenditure (Continued)

Staff earning over £60,000

	2024	2023
	Number	Number
Employees with emoluments falling within the following bands:		
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£80,001 to £90,000	2	2
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-
	2	6

Pension costs were £152,122 (2023: £134,727). 7 employees (2023: 3) were accruing benefits under defined contribution schemes and no employees (2023: 3) were accruing benefits under defined benefit schemes.

	2024	2023
	£	£
Average number of employees:		
Senior Leadership Team	7	6
Teaching Department	55	46
Care	22	26
Administration	18	13
Maintenance	10	8
Cleaning	8	-
Domestic	7	7
Education Support	48	52
College	29	28
Boothroyd House	8	5
	212	191

No remuneration was paid to any of the trustees. Expenses of £319 (2023: £366) were reimbursed to one trustee during the year.

The key management team received remuneration of £583,736 (2023: £489,246).

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

15 Pensions

	2024	2023
	£	£
Contributions payable by the Foundation for the employees:		
Teachers Pension	270,206	185,083
West Yorkshire Pension Fund	275,941	568,322
Peoples Pension	337,276	91,440
	883,423	844,845
Contributions outstanding at the yearend:		
Teachers Pension	35,679	24,971
West Yorkshire Pension Fund	-	51,090
Peoples Pension	58,208	15,271
	93,887	91,332

Teachers Pension

The school contributes to the Teachers Pension Scheme (England & Wales) for the teaching staff. The assets of these funds are held separately from The Smith Foundation.

The Teachers Pension Scheme is a multi-employer defined benefits scheme, to which the school pays contributions at the rate set by the Scheme Actuary (currently 23.68% of pensionable earnings). The school has no responsibility for or benefit from any deficit or surplus of this Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school and it is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are accounted for when they fall due.

Peoples Pension

The charity also operates a defined contribution scheme for qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund was also a multi-employer defined benefits scheme but in this case the school was required to make up the deficit of the Scheme relating to their employees and former employees. At the last valuation of the West Yorkshire Pension Fund made as at 31 March 2022 and published 31 March 2023 the scheme was assessed to have a deficit.

At 31 March 2023 the updated figures showed a pension scheme surplus. The surplus was restricted in those financial statements to the reversal of the £1m deficit brought forward at 1 April 2022.

The scheme was closed to new members during the year ended 31 March 2018.

The remaining 37 active members became deferred members of the scheme on 31 August 2023 and the school exited the pension scheme on 31 March 2024 (see note 18).

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

15 Pensions (Continued)

The key assumptions used by the actuary were:

	2024	2023	2022
	% p.a.	% p.a.	%p.a.
Discount rate	n/a	4.6	2.7
Rate of inflation (CPI)	n/a	2.6	2.9
Rate of increase in salaries	n/a	3.9	4.2
Rate of increase to pensions	n/a	2.6	2.9
Pension accounts revaluation rate	n/a	2.6	2.9

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2024	2023
	Years	Years
Males		
Member aged 65 at accounting date	n/a	21.6
Member aged 45 at accounting date	n/a	22.9
Females		
Member aged 65 at accounting date	n/a	24.6
Member aged 45 at accounting date	n/a	25.7

The major categories of assets in the scheme as a percentage of total plan assets are as follows:

	2024	2023
	%	%
Equities	n/a	80.8
Corporate Bonds	n/a	4.6
Government Bonds	n/a	6.9
Property	n/a	3.3
Cash	n/a	2.3
Other	n/a	2.1

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

15 Pensions (Continued)

Analysis of the amount recognised in the SOFA:

	2024	2023
	£	£
Current service cost	-	570,000
Contributions already paid by the employer	-	(570,000)
Net interest (credit) / charge	-	20,000
Actuarial gains/(losses) on defined benefit pension scheme:		
Asset (gains)/losses arising during the period	-	520,000
Liability (gains)/losses arising during the period	-	(4,230,000)
Asset restriction	-	2,690,000
	-	-
Movement in pension scheme deficit	-	(1,000,000)
	-	-

	2024	2023
	£	£
Actual return on assets:		
Interest income on assets	-	330,000
Gains/(losses) on assets	-	(520,000)
	-	-
	-	(190,000)

16 Financial Commitments

At 31 March 2024 the charity was committed to making the following payments under non-cancellable operating leases: -

	Plant & Machinery	
	2023	2024
	£	£
Leases expiring in: -		
< 1 year	12,313	8,133
2-5 years	151,444	67,292
	163,757	75,425

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

17 Events after the reporting date

Transfer of Charitable Activities to the Company

In pursuit of our mission to enhance the efficiency and sustainability of our charitable initiatives, a strategic decision was made to transfer the management and operation of our charitable activities to a newly formed company limited by guarantee - The Smith Foundation Limited.

This transfer is yet to be executed due to delays with the Charity Commission. The new company has received charitable status. However, the Charity Commission are imposing conditions on the transfer, mainly the transfer of the property and title deeds. This is being dealt with by our solicitors Bevan Brittan. Once completed it will mark a pivotal step in our commitment to optimise the delivery of our charitable services. The establishment of The Smith Foundation Limited allows for enhanced focus and dedicated resources in furthering our charitable objectives.

The trustees have taken all necessary steps to ensure the seamless transition of these activities to the new entity. The legal costs associated with this transfer incurred since 31 March 2024 are currently £39,093. The trustees cannot estimate the remaining legal costs to complete the transfer.

18 Extraordinary item

Exit from West Yorkshire Pension Fund (WYPF)

During the year ended 31 March 2023, the Foundation decided to conclude its membership in the West Yorkshire Pension Fund (WYPF). This decision was made as part of our broader financial and operational restructuring efforts to better align our resources with our long-term strategic goals.

The Charity ceased participation of WYPF on 31 August 2023 and entered into a Deferral Debt Agreement which terminated on 31 March 2024.

The Funds Actuary carried out an exit valuation as at 31 March 2024 and determined the amount required to exit the scheme as at 31 March 2024 to be £1,200,000.

This amount has therefore been included as an extraordinary charge in these accounts and was paid in full on 19 July 2024.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

19 Comparative Statement of Financial Activities

	Note	Unrestricted	Restricted	Endowment	2023 Total
		£	£	£	£
Income and endowments from:					
Charitable activities	4	9,605,824	109,284	-	9,715,108
Investment activities	3	12,241	-	-	12,241
Total income		9,618,065	109,284	-	9,727,349
Expenditure on:					
Charitable activities:					
Salaries	14	6,237,485	-	-	6,237,485
Establishment costs	5	1,008,014	-	-	1,008,014
Education & welfare	6	1,367,362	109,476	-	1,476,838
		8,612,861	109,476	-	8,722,337
Support and governance costs:					
Interest payable - pension		20,000	-	-	20,000
Depreciation		176,844	3,919	-	180,763
Professional fees		12,475	-	-	12,475
Clerk charges & subscriptions		25,902	-	-	25,902
Auditor remuneration		24,460	-	-	24,460
Actuary fees		2,292	-	-	2,292
Investment activities:					
Investment management fees		11,668	-	-	11,668
Total expenditure		8,886,502	113,395	-	8,999,897
Net income before investment gains/(losses)		731,563	(4,111)	-	727,452
Net (losses)/gains on investments		(26,900)	-	(1,440)	(28,340)
Net income/(expenditure)	2	704,663	(4,111)	(1,440)	699,112
Transfers between funds		-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		1,020,000	-	-	1,020,000
Net movement in funds		1,724,663	(4,111)	(1,440)	1,719,112
Reconciliation of funds:					
Total funds brought forward		6,632,436	193,895	718,884	7,545,215
Total funds carried forward	12	8,357,099	189,784	717,444	9,264,327

All incoming resources expended derive from continuing activities.

THE SMITH FOUNDATION

England & Wales - Charity number 529132

Accounts

**THE SMITH FOUNDATION
ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

The Smith Foundation
Boothroyd
BRIGHOUSE
West Yorkshire
HD6 3JW
Tel: 01484 710123 Fax: 01484 721658
E-mail: secretaryoftrust@whsschool.org.uk

THE SMITH FOUNDATION

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THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2023

Administrative Details, Trustees and Advisers

The Smith Foundation (529132) is governed by a Charity Commission Scheme dated 4 August 1998 amended by resolutions dated 20 June 2000, 5 July 2011 and 2 February 2023.

The office for all correspondence is:

The Smith Foundation, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Present Trustees of the Foundation are:

Roger Tilbrook, Chair

Brendan Heneghan, Vice Chair

Andrew Fairbairn, Treasurer (resigned 15.3.23) *

Grant McIntosh (resigned 15.3.23) *

David Duncan

Michelle Cuffe

Caroline Booth (appointed 7.12.22 resigned 8.2.23)

*Remain as advisors to the board and will rejoin the board upon incorporation of the charity later in 2023.

Key officers

Trust Secretary: Vanessa Talbot

William Henry Smith School, sixth form & college

Sue Ackroyd, Principal

Caroline Booth, Deputy Principal

Damien Talbot, Deputy Principal

Karl Adamski, Deputy Principal

Leanne Clarke, Vice Principal

Tom Gilbody, Vice Principal

Georgina Poole, Vice Principal

Trust Advisers and Agents:

Bankers

Lloyds Bank plc

6/7 Park Row

LEEDS

LS1 1NX

Investment Advisers

Investec Wealth & Investment Ltd

3 Wellington Place

LEEDS

LS1 4AP

Solicitors

Weightmans LLP

Westgate Point

Westgate

LEEDS

LS1 2AX

Auditors

Firth Parish, Chartered Accountants

1 Airport West

Lancaster Way

Yeadon

LEEDS

LS19 7ZA

Land & Valuation Chartered Surveyors

Carter Jonas

Manor House

Nabbs Lane

Slaithwaite

HUDDERSFIELD

HD7 5AU

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2023

Health & Safety Consultants

Senior H & S Advisor
Calderdale H & S Department
Calderdale MBC

Chartered Surveyors

PSK Building Surveyors Limited
Batley Business Centre
513 Bradford Road
BATLEY
WF17 8LL

Historical Context

The Smith Foundation originates from a Trust established on the 16th of August 1916 by William Smith. The main purpose of that Trust was to establish a Home for orphan girls. This was changed to a home for boys and girls under a scheme of 1923 just after William died in 1922. The bulk of his estate had been intended for his cousin's adopted son William Henry Smith but unhappily he was killed in the 1914-18 war so this money too was passed to the Trust. The homes continued through the 1920's, 1930's and through the 1939-45 war. During the war they took in children from The Sailors' Orphan Home in Hull and also this school was used as a transit home for children from Sheffield.

In 1951 a scheme changed the name of the Trust to The Smith Homes. This came about following an approach by the Ministry of Education after the enactment of the 1948 Children's Act. The revised scheme allowed the continuance of the Homes for a limited time but added an authority for the Trustees to make grants to Special schools and to establish Special schools of their own.

Grants were made to Breckenborough and Chaigley Schools and Holly Bank House was purchased by the Trust to convert into a Special School for Physically disabled children. This School was opened in 1953 and was run by the Trust until 1998 when it was handed over to the newly formed Holly Bank Trust.

By the end of 1959 the last of the children left the Homes and by then plans were in hand to open a further residential special school in the buildings. The William Henry Smith School opened in September 1961 for 48 boys. In December of the following year the Charity Commission made a scheme that changed the name of the Trust to The Smith Foundation.

Over the next 30 years the school developed its education and social provision becoming recognised as a specialist school for boys experiencing social, emotional and mental health difficulties, becoming very much a part of the national spectrum of special needs provision. During this period the Trustees with the help of the DfES provided a new science building, new kitchen and then portable classrooms and a Gymnasium. In the early 1990's it became clear that the residential accommodation needed to be replaced and the Trustees provided two new houses using some of their capital and money raised from Trusts.

In 1994 the Trustees commissioned a feasibility study that identified a plan to maximise the use of existing buildings through conversion and refurbishment to create new teaching facilities to allow the school to meet the challenges of the new millennium.

Since that time each summer there has been building work to fulfil the plan as money has allowed. This has seen the whole site transformed with derelict buildings becoming teaching and communal facilities, single en-suite bedrooms for all the boys and recreation improvements in the houses on the Care side of the school. On the Education side all the original temporary classrooms have been rebuilt to provide permanent accommodation; an IT suite, Assembly Hall, Design and Technology Rooms, Art Room, Music Room, Sports Hall, Life Skills Kitchen and a new therapy suite have been provided. There has also been onsite expansion in recent years including the addition of a new building for Commissioned Services in 2019 and in 2020, which will be used as a learning space for new students from September 2023. The Foundation also purchased a former B&B which has been developed and will be used as a 52-week children home from late 2023, known as Boothroyd House.

In 2021 the Trustees purchased a further property offsite which was a former day nursery in Elland which will be operating as a College from September 2023. This financial year work has also been completed on converting Lowry house, from residential accommodation to a state of the art therapy building. Houses 5 and 6 have also been converted during summer 2022 into a 4 bedroomed residential provision.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2023

A final scheme was established by the Charity Commission in 1998 that revised the membership requirements for Trustees and the objects of the charity (amended by resolutions dated 20 June 2000, 5 July 2011 and 2 February 2023 (The 2023 amendments were to reduce the number of Trustees and provide the power to Incorporate). The trust is due to convert to a charitable company limited by guarantee later this year when the year end will also alter to 31 August to align with the academic year.

The instruments and articles of the governing body of the school were revised at that time and approved by the DfES in 1999. The governing body was reconstituted during the academic year 1999/2000. These have been further revised on 7th March 2023 and 4th July 2023. The revisions were to amend the number and makeup of the Governing Body and to reflect the name change of the School to include Sixth Form and College.

Structure, Governance and Management

Constitution

The Trust is governed by a Charity Commission Scheme dated 4 August 1998, as varied by a resolution of the Trustees dated 20 June 2000, and further resolutions dated 5 July 2011 and 2 February 2023. Trustees terms are reviewed every five years.

All Trustees are nominated by current Trustees. In making appointments to the Trust, Trustees "shall have regard to the desirability of appointing persons". When vacancies arise, Trustees seek expressions of interests. So far this approach with prospective Trustees suggested by the present Trust body had provided a representative and active group of Trustees. When looking at vacancies the Trust considers the skills and experience gap in their body.

All prospective Trustees are informally interviewed by the chairperson, who at that time makes verbal checks on the eligibility of Trustees. Each new Trustee is given an induction pack containing the charity's governing document, the Instruments and Articles of the school, sixth form & college, annual reports, together with previous meeting minutes of the Trust and Governing body. They are given a tour of the Trust grounds and meet senior members of the school, sixth form & college management as well as the Trust secretary. DBS and the other relevant checks are initiated before a Trustee is finally accepted. At the first meeting of the Trust they attend they formally sign the minutes book declaration.

The Trust secretary has reported that all Trustees have completed DBS checks in relation to Trustee's appointments, adding that since the Commission's Scheme sealed on 4th August 1998 all Trustees have signed a statement as follows:- "I the undersigned hereby declare that I am willing to accept the office and appointment of Trustee of The Smith Foundation and of acceptance and willingness to act in the Trusts of the scheme approved and established by the Charity Commission on the 4th August 1998".

Organisational structure

The Trustees delegate the running of the school, sixth form & college to the governing body. They operate under Instruments and Articles approved by the DfES in 1999. These have been further revised 7th March 2023 and 4th July 2023. The establishment of the governing body is up to 13 members: 2 Trustees, the Principal, 1 parent representative, 1 teaching staff representative, 1 non-teaching staff representative, 1 employed by a Local Authority, 2 from a professional background and 4 other persons deemed suitable by the Governing Body to enhance the skillset.

The Governing body in turn delegate the day to day running of the school & sixth form & college to the Principal. In practice this means that the Trustees have final responsibility for the school, sixth form & college staffing complement, audit and banking, insurance and security. They have joint responsibility with the governors and Principal for Admissions, Terms and Holiday dates, financial budgeting in the school, sixth form & college, Prospectus, the use of the premises, all statutory policies such as Health & Safety, Religious Education and Sex Education. The Governors and Principal are jointly responsible for Staffing, Curriculum policy, welfare and child protection. The Principal is solely responsible for the organisation of the curriculum and the day-to-day running of the school, sixth form & college. The governors do not sit over Boothroyd House but the trustees do.

The Governors fulfil these functions through three sub committees for Finance, Education and Premises.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2023

Risk Assessment

During the year the Trustees have carried out a review of the risk assessment and confirm that all major risks have been reviewed and action plans are in place to mitigate these risks. The Emergency Plan and Business Continuity Plan are subject to regular review.

Objectives and Activities

Objective

- (a) To promote the education of children who have special educational needs, and in particular but in no way limiting the generality of the foregoing by the provision of a special school, sixth form & college within the meaning of the education acts; and
- (b) To promote the general welfare of children and young persons requiring assistance who have or have had special educational needs, with preference for students and former pupils of the school, sixth form & college of the charity.

Mission Statement

The Trust fulfils its objects by empowering everyone to become the best they can be through granting equity of access to provision of life enhancing opportunities leading to achievement, fulfilment and happiness.

Our vision supported by our whole community of services is to provide outstanding individualised education, care, welfare and support for children and young people experiencing social, emotional and mental health difficulties.

The Trustees recognise their three principal functions as:

- i) Overseeing the working and development of The William Henry Smith School, sixth form & college, and Boothroyd House through the work of the Governing Body and designated lead Trustees;
- ii) The safeguarding of the assets including finance, building and grounds in their care, and;
- iii) Planning for the future use of property and other assets.

Activities

To meet these objectives the Trustees, the Governors of the school, sixth form & college, the Principal as Chief Executive Officer and senior members of staff have worked together on the continued development of the services. The Trustees for their part have continued to provide finance for capital development and have worked alongside the senior staff in developing a 5-year strategic plan covering all areas of the school, sixth form & college. The return on investment has been carefully forecast.

Once again, a principal activity of Trustees this year has been that of critical friends, being active members of the school, sixth form & college's governing body and working alongside the Principal and the senior staff in examining and promoting the Self-Evaluation and Improvement Plan.

Staff training continues to be a vital part of the Foundations operation. The Foundation actively aids all staff development to the long-term benefit of the school, sixth form, college and Children's Home.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)
For the year ended 31 March 2023

Achievement & Performance

The school & sixth form was awarded an 'Outstanding' rating by Ofsted in all areas of operation, including the nineteenth consecutive outstanding rating for 'Care'. A splendid achievement for which we are all immensely proud.

Financial

The financial statements are prepared in accordance with the Charities Statement of Recommended Practice (FRS102) and Financial Reporting Standard 102. Under FRS102 28.22 a pension scheme surplus / asset should only be recognised by an entity to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore, the amount of the surplus has been restricted to reversing the £1m liability brought forward at 01.04.22 only and not brought in any asset. At 31.03.23 the balance sheet therefore shows a pension scheme liability of £nil and a pension reserve of £nil.

To control the fluctuating liability no further entrants have been taken into this defined benefit scheme and all new employees now enter The Peoples Pension. Further investigation into a subsumption agreement with one or more of the Local Authorities in the West Yorkshire Pension Fund (WYPF) were investigated during the financial year to further reduce the liability alongside possible exit options. The Trustees voted to exit the WYPF whilst market conditions appeared more favourable based on an actuarial Exit Valuation at 30.11.22 of £2.3m and the remaining 37 members became deferred members of the scheme on 31.8.23. A subsequent actuarial Exit Valuation dated 5.10.23 valued the financial effect of exiting the Scheme at £3.803m. This particular valuation assumes a 'probability of funding success' of 95%. We are advised by WYPF that a decision to update their funding strategy to reduce the probability of funding success to 90% is expected by the end of January 2024 and that this would reduce the Exit Valuation; however definitive figures are not available at this time. Once the exit valuation has been determined and agreed, it is intended the exit deficit will be financed from a mixture of reserves and through a debt spreading agreement to be entered with WYPF. The repayments of the debt will be offset by reduced contributions in the new scheme and no lump sum capital contributions.

Reserves Policy

The level of capital investment required in the 5-year strategic plan continues to be balanced against the need to maintain reserves at 50% of running costs. This is continually monitored.

Plans for Future Periods

Future plans, subject to reserves, include developing the college and acquiring Fordsall House, a building next door to the current college on a five-year lease. The masterplan will also be reviewed and updated and subject to Budgets and planning permission the Trustees have a five-year plan to increase car parking provision on site and undertake capital replacement and improvement of existing buildings.

Future Prospects

The Trustees are confident for the future. This confidence is bolstered by a strong school, sixth form, college and children's home management team, with excellent leadership and a balanced achievable strategy to deliver excellent results in ensuring student and resident numbers are maintained and a high level of success in education and care. This is further supported by recent changes such as a reduction in the lower age range to incorporate Key Stage 1 and an increase in the maximum student admission number from 83 to 87. Other new income streams such as college and 52-week will further supplement income.

Further Information & News

The school, sixth form & college management team under the leadership of Sue Ackroyd has produced excellent results in the further development of the school, sixth form & college in teaching, care and learning to bring out the full potential of the boys in the school, sixth form & college. This success is further recognised in the finances of the Trust and gives us confidence to pursue further our improvement plans.

Please visit our new website at www.whsschool.org.uk

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2023

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors is unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Public Benefit

In identifying the activities that the charity will undertake, the Trustees complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Statement of Trustees' Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the policies adopted are in accordance with the Charities (Accounts & Reports) Regulations 2008 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved on behalf of the Board of Trustees and signed on their behalf by:



Roger J Tilbrook MRICS
Chair of Trust

22 November 2023

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Opinion

We have audited the financial statements of The Smith Foundation (the "Charity") for the year ended 31 March 2023 which comprise of the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements. 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 Charity'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;
- 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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

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

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Responsibilities of the trustees

As explained more fully in the statement of the trustees responsibilities set out on page 6, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the executive committee either intend to liquidate the Charity 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 of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

The extent to which the audit is capable of detecting irregularities, including fraud, is affected by the inherent difficulties in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities resulting from fraud usually are inherently more difficult to detect than irregularities that result from error.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered: the nature of the industry and sector, control environment and business performance including the charity's remuneration policies; the results of our enquiries of management about their own identification and assessment of the risks or irregularities; any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations. We also considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We assessed the effectiveness of the internal control environment for minimising the incidences of irregularities and considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for irregularities including fraud to be in the following areas: the completeness of income, the operation and accounting for cut off around the year end date and the ability of management to override controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts in the financial statements. The key laws and regulations we considered in this context included the Charity Act 2011 and pensions legislation. 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 may be fundamental to the Charity's ability to operate to avoid a material penalty.

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Audit response to risks identified

We tested the operation of the sales system by checking that a sample of pupils resulted in the recognition of corresponding income. We addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Board that represented a risk of material misstatement due to fraud.

In addition to the above, our procedures to respond to risks identified included the following: reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and in addressing the risk of fraud through management override of controls, assessing whether the judgements made in making accounting estimates were indicative of a potential bias and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Firth Parish is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Firth Parish
Chartered Accountants
Statutory Auditor

22 November 2023

1 Airport West
Lancaster Way
Yeadon
Leeds
West Yorkshire
LS19 7ZA

THE SMITH FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	Endowment £	2023 Total £	2022 Total £
Income and endowments from:						
Charitable activities	4	9,605,824	109,284	-	9,715,108	8,325,143
Investment activities	3	12,241	-	-	12,241	1,192
Total income		9,618,065	109,284	-	9,727,349	8,326,335
Expenditure on:						
Charitable activities:						
Salaries	14	6,237,485	-	-	6,237,485	5,251,478
Establishment costs	5	1,008,014	-	-	1,008,014	816,803
Education & welfare	6	1,367,362	109,476	-	1,476,838	1,130,476
		8,612,861	109,476	-	8,722,337	7,198,757
Support and governance costs:						
Interest payable - pension		20,000	-	-	20,000	70,000
Depreciation		176,844	3,919	-	180,763	157,375
Professional fees		12,475	-	-	12,475	10,242
Clerk charges & subscriptions		25,902	-	-	25,902	13,868
Auditor remuneration		24,460	-	-	24,460	11,340
Actuary fees		2,292	-	-	2,292	426
Investment activities:						
Investment management fees		11,668	-	-	11,668	-
Total expenditure		8,886,502	113,395	-	8,999,897	7,462,008
Net income before investment gains/(losses)		731,563	(4,111)	-	727,452	864,327
Net (losses)/gains on investments		(26,900)	-	(1,440)	(28,340)	7,347
Net income/(expenditure)	2	704,663	(4,111)	(1,440)	699,112	871,674
Transfers between funds		-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		1,020,000	-	-	1,020,000	2,770,000
Net movement in funds		1,724,663	(4,111)	(1,440)	1,719,112	3,641,674
Reconciliation of funds:						
Total funds brought forward		6,632,436	193,895	718,884	7,545,215	3,903,541
Total funds carried forward	12	8,357,099	189,784	717,444	9,264,327	7,545,215

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by funds in note 18 of the accounts.

THE SMITH FOUNDATION

BALANCE SHEET

as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Land & buildings	7	6,075,545	5,271,858
Furniture & equipment	7	78,559	66,719
Investments	8	1,001,862	344,530
		<hr/>	<hr/>
		7,155,966	5,683,107
Current assets			
Stocks		54,320	54,393
Debtors	10	202,931	288,276
Cash at bank and in hand		2,355,323	3,083,767
		<hr/>	<hr/>
		2,612,574	3,426,436
Liabilities			
Creditors falling due within one year	11	(504,213)	(564,328)
		<hr/>	<hr/>
Net current assets		2,108,361	2,862,108
		<hr/>	<hr/>
Net assets before pension liability		9,264,327	8,542,775
Defined benefit pension scheme liability	15	-	(1,000,000)
		<hr/>	<hr/>
Total net assets		9,264,327	7,545,215
		<hr/>	<hr/>
The funds of the charity:			
Endowment funds		717,444	718,884
Restricted income funds		189,784	193,895
Unrestricted income funds:			
Unrestricted funds		8,155,096	7,332,030
Pension reserve	15	-	(1,000,000)
School Improvement Plan designated fund		202,003	300,406
		<hr/>	<hr/>
Total charity funds	12	9,264,327	7,545,215
		<hr/>	<hr/>

These Financial Statements were approved by the Trustees on 22 November 2023 and signed on their behalf by

Roger J Tilbrook MRICS
Chair of Trust



22 November 2023

THE SMITH FOUNDATION
STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2023 £	2022 £
Net income for the year (as per the statement of financial activities)	699,112	871,674
Add back depreciation charge	180,763	157,375
Deduct interest income shown in investing activities	(12,241)	(1,192)
Net losses/(gains) on investments	28,340	(7,347)
Decrease/(increase) in stocks	73	(419)
Decrease in debtors	85,345	812,296
(Decrease)/increase in creditors	(60,115)	202,564
FRS102 pension adjustment	20,000	140,000
	<hr/>	<hr/>
Net cash provided by operating activities	941,277	2,174,951
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	12,241	1,192
Purchase of property, plant and equipment	(996,290)	(1,480,187)
Purchase of listed investments	(705,806)	(300,130)
Proceeds on sale of listed investments	20,134	18,927
	<hr/>	<hr/>
Net cash used in investing activities	(1,669,721)	(1,760,198)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(728,444)	414,753
	<hr/>	<hr/>
Cash and cash equivalents brought forward	3,083,767	2,669,014
	<hr/>	<hr/>
Cash and cash equivalents carried forward	2,355,323	3,083,767
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1 Accounting Policies

Charity Information

The Smith Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The public address is William Henry Smith School, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Basis of preparation and assessment of going concern

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with FRS 102, with the requirements of the Charities Act 2011 and under the historical cost convention as modified by the revaluation of investments assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

The Trustees believe that the Foundation is a going concern because it has a strong balance sheet, good leadership and management to ensure boy numbers are maintained at a satisfactory level. The more recent addition of Commissioned Services (Bespoke Education, Support and Tuition) extends the school offering and makes a welcome financial contribution.

Stocks

Stocks are held for distribution at no or nominal consideration. Stocks are valued at the lower of cost and replacement cost.

Pensions

The charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity also contributes to a Defined Benefits pension scheme for non-teaching staff. Rates are set by the scheme Actuary and advised to the School by the Scheme Administrator. This scheme is now being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet. The trustees believe that the scheme currently meets statutory minimum funding requirements. The Trustees note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1 Accounting Policies (Continued)

Income recognition

All income is recognised when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities and sale of goods, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for it. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown including the irrecoverable VAT.

Capital expenditure:

Freehold property will be capitalised and depreciated over 50 years. Regular valuations, other than for insurance purposes, are not considered to be of any benefit to the Trustees.

Fixtures & equipment will be capitalised and depreciated at 20% per annum on a straight-line basis. Any single item costing £1,000 or less will be written off.

Computer equipment is depreciated at 100% on a straight-line basis.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market value. The increase or decrease in fair value is credited or charged to the endowment fund in the statement of financial activities as unrealised gains or losses on investments. Income from the endowment fund is unrestricted.

Donations, legacies and grants

Donations, legacies and grants are credited to income as they are received.

Designated funds

The trustees set aside amounts within unrestricted funds for designated expenditure. The designated fund balances do not affect the statement of financial activities.

Leasing

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

1 Accounting Policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

1 Accounting Policies (Continued)

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Defined benefit pension scheme liability

Determining the level of the defined benefit pension scheme liability requires updating the most recent actuarial valuation, allowing for appropriate financial and demographic assumptions. The asset at 31 March 2023 was £2,690,000, which has been restricted to £Nil (2022 – liability of £1,000,000). This calculation was performed by a qualified independent actuary and details are set out in note 15.

2	Net income/(expenditure)	2023 £	2022 £
	Net income/(expenditure) is stated after charging:		
	Depreciation of tangible assets	180,763	157,375
	Operating lease rentals	51,754	58,488
	Auditors remuneration - audit	7,500	4,600
	- other services	16,960	6,740
		180,763	157,375
3	Investment income	2023 £	2022 £
	Interest received	1,570	348
	Dividends	10,671	844
		12,241	1,192

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

4	Income from charitable activities	2023	2022
		£	£
	Fees : Standard	5,468,983	5,194,074
	: Additional services	1,953,303	1,526,006
	: Off roll/off site provisions	1,246,184	578,000
	: ESFA funding grant	574,909	488,871
	Other grants	421,171	485,650
	Other generated income	50,558	52,542
		<hr/>	<hr/>
		9,715,108	8,325,143
		<hr/>	<hr/>
	Grants comprise mainly of ESFA funding towards education.		
5	Establishment costs	2023	2022
		£	£
	Cleaning	125,837	119,112
	Maintenance and security	467,527	377,558
	Heat and light	120,195	90,224
	Water	25,778	23,497
	Insurance	95,581	73,790
	Office costs	126,754	96,312
	Professional fees	46,342	36,310
		<hr/>	<hr/>
		1,008,014	816,803
		<hr/>	<hr/>
6	Education and Welfare Costs	2023	2022
		£	£
	Education costs	142,744	130,802
	ICT	107,994	76,832
	Catering	182,123	147,344
	Housekeeping and laundry	44,674	45,212
	Motor and travel	84,371	62,195
	Training	162,432	90,393
	Care	224,786	179,951
	Therapy	-	11,400
	Other	7,948	4,570
	School Improvement Plan – designated fund expenditure	410,290	297,997
	Other restricted and designated fund expenditure	109,476	83,780
		<hr/>	<hr/>
		1,476,838	1,130,476
		<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

7 Tangible Fixed Assets

	Freehold Land & Buildings £	Computers £	Fixtures & Equipment £	Total £
Cost				
1 April 2022	7,076,599	52,269	450,411	7,579,279
Additions	959,100	4,973	32,217	996,290
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2023	8,035,699	57,242	482,628	8,575,569
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 April 2022	1,804,741	52,269	383,692	2,240,702
Charge for year	155,413	4,973	20,377	180,763
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2023	1,960,154	57,242	404,069	2,421,465
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
31 March 2023	6,075,545	-	78,559	6,154,104
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	5,271,858	-	66,719	5,338,577
	<hr/>	<hr/>	<hr/>	<hr/>

8 Investments

Movement in fixed asset investments

	2023 £	2022 £
Market value at 1 April 2022	344,530	55,979
Additions at cost	705,806	300,131
Disposals	(20,134)	(18,927)
Net (losses) / gains on revaluations	(28,340)	7,347
	<hr/>	<hr/>
Market value at 31 March 2023	1,001,862	344,530
	<hr/>	<hr/>
Investments at market value comprised:		
Charities Official Investment Fund	60,200	61,640
Listed investments:		
Equities	554,575	176,447
Fixed interest securities	163,161	30,100
Alternatives	159,443	51,527
Property	37,667	24,816
Emerging markets	26,816	-
	<hr/>	<hr/>
	1,001,862	344,530
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

9	Financial instruments	2023	2022
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	181,906	251,653
		<hr/>	<hr/>
	Carrying amount of financial liabilities		
	Measured at amortised cost	395,791	474,300
		<hr/>	<hr/>
10	Debtors	2023	2022
		£	£
	Trade debtors	179,673	250,516
	Other debtors	2,233	1,137
	Prepayments	21,025	36,623
		<hr/>	<hr/>
		202,931	288,276
		<hr/>	<hr/>
11	Creditors: amounts falling due within one year	2023	2022
		£	£
	Trade creditors	182,324	307,534
	Other taxes and social security	108,422	90,028
	Other creditors	133,411	109,128
	Accruals and deferred income	80,056	57,638
		<hr/>	<hr/>
		504,213	564,328
		<hr/>	<hr/>

Creditors includes deferred income of £Nil (2022 - £24,884), being BEST fees invoiced in advance.

12	Reserves	Unrestricted	Restricted Endowment		Total
		£	£	£	£
	Brought forward	6,632,436	193,895	718,884	7,545,215
	Surplus for the year	751,563	(4,111)	-	747,452
	Decrease in valuations	(26,900)	-	(1,440)	(28,340)
	Pension movement	1,000,000	-	-	1,000,000
		<hr/>	<hr/>	<hr/>	<hr/>
		8,357,099	189,784	717,444	9,264,327
		<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds represent grants and donations invested in buildings of £111,636 and the unspent portion of other grants totalling £78,148.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 20223

12 Reserves (Continued)

Analysis of Net Assets between Funds

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment
	£	£	£	£	£	£
Fixed assets	5,385,224	111,636	657,244	4,565,777	115,556	657,244
Investments	941,661	-	60,200	282,890	-	61,640
Stock and debtors	257,251	-	-	342,669	-	-
Cash and bank	2,277,176	78,148	-	3,005,428	78,339	-
Creditors	(504,213)	-	-	(564,328)	-	-
Pension liability	-	-	-	(1,000,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,357,099	189,784	717,444	6,632,436	193,895	718,884
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13 Transactions with Trustees

During the financial year the Smith Foundation was invoiced £55,062 (2022: £146,293) by PSK Building Surveyors Limited for property consultancy. R Tilbrook and G McIntosh were trustees of the Smith Foundation and directors and shareholders of PSK Building Surveyors Limited during the year. A balance of £Nil (2022: £9,781) was due to PSK Building Surveyors Limited at the year end.

During the financial year the William Henry Smith School was invoiced £20,461 (2022: £Nil) by Cuffe and Lacey Associates Limited for RI duties at Boothroyd House. M Cuffe is a trustee of the Smith Foundation and a director and shareholder of Cuffe and Lacey Associates Limited. A balance of £Nil (2022: £Nil) was due to Cuffe and Lacey Associates Limited at the year end.

14 Expenditure

	2023	2022
	£	£
Staff costs		
Wages and salaries	4,939,749	4,096,233
Social security costs	452,891	333,782
Pension costs (see note 15)	844,845	821,463
	<hr/>	<hr/>
	6,237,485	5,251,478
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

14 Expenditure (Continued)

Staff earning over £60,000	2023	2022
	Number	Number
Employees with emoluments falling within the following bands:		
£60,001 to £70,000	2	1
£70,001 to £80,000	1	3
£80,001 to £90,000	2	-
£100,001 to £110,000	1	1
	<hr/>	<hr/>

Pension costs were £134,727 (2022: £113,739). 3 employees (2022: 2) were accruing benefits under defined contribution schemes and 3 employees (2022: 3) were accruing benefits under defined benefit schemes.

Average number of employees:	2023	2022
	£	£
Senior Leadership Team	6	6
Teaching Department	46	46
Care	26	25
Administration	13	13
Maintenance	8	7
Domestic	7	7
Education Support ISIP	80	66
Boothroyd House	5	1
	<hr/>	<hr/>
	191	171
	<hr/>	<hr/>

No remuneration was paid to any of the trustees. Expenses of £366 (2022: £202) were reimbursed to one trustee during the year.

The key management team received remuneration of £489,246 (2022: £440,835).

15 Pensions

	2023	2022
	£	£
Contributions payable by the Foundation for the employees:		
Teachers Pension	185,083	148,396
West Yorkshire Pension Fund	568,322	605,939
Peoples Pension	91,440	67,128
	<hr/>	<hr/>
	844,845	821,463
	<hr/>	<hr/>
Contributions outstanding at the yearend:		
Teachers Pension	24,971	17,808
West Yorkshire Pension Fund	51,090	47,511
Peoples Pension	15,271	11,005
	<hr/>	<hr/>
	91,332	76,324
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

15 Pensions (Continued)

Teachers Pension

The school contributes to the Teachers Pension Scheme (England & Wales) for the teaching staff. The assets of these funds are held separately from The Smith Foundation.

The Teachers Pension Scheme is a multi-employer defined benefits scheme, to which the school pays contributions at the rate set by the Scheme Actuary (currently 23.68% of pensionable earnings). The school has no responsibility for or benefit from any deficit or surplus of this Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school and it is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are accounted for when they fall due.

Peoples Pension

The charity also operates a defined contribution scheme for qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund is also a multi-employer defined benefits scheme but in this case the school are required to make up the deficit of the Scheme relating to their employees and former employees. At the last valuation of the West Yorkshire Pension Fund made as at 31 March 2022 and published 31 March 2023 the scheme was assessed to have a deficit. This deficit is set to be made up over a period of 22 years from 1 April 2023. The rate for contributions as set by the Fund Actuary for 2023/24, 2024/25 and 2025/26 was 35.7% of pensionable earnings plus secondary contributions of £74,500 in 2023/24, £77,200 in 2024/25 and £79,900 in 2025/26.

The trustees recognise that action was being taken by the fund managers to recover the deficit over the next 22 years.

Pension contributions for the West Yorkshire Pension Fund are determined by the scheme actuary on the basis of triennial valuations using the projected unit method. The most recent full actuarial valuation was as at 31 March 2022 and was carried out by a qualified independent actuary. This has been updated by the actuary as at 31 March 2023.

At 31 March 2023 the updated figures show a pension scheme surplus. This has been restricted in these financial statements to the reversal of the £1m deficit brought forward at 1 April 2022.

The scheme was closed to new members during the year ended 31 March 2018.

The remaining 37 members became deferred members of the scheme on 31 August 2023, see note 17.

The key assumptions used by the actuary were:

	2023	2022	2021
	% p.a.	% p.a.	%p.a.
Discount rate	4.6	2.7	2.1
Rate of inflation (CPI)	2.6	2.9	2.7
Rate of increase in salaries	3.9	4.2	4.0
Rate of increase to pensions	2.6	2.9	2.7
Pension accounts revaluation rate	2.6	2.9	2.7

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

15 Pensions (Continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2023	2022
	Years	Years
Males		
Member aged 65 at accounting date	21.6	21.8
Member aged 45 at accounting date	22.9	22.5
Females		
Member aged 65 at accounting date	24.6	24.6
Member aged 45 at accounting date	25.7	25.7

The major categories of assets in the scheme as a percentage of total plan assets are as follows:-

	2023	2022
	%	%
Equities	80.8	79.8
Corporate Bonds	4.6	4.8
Government Bonds	6.9	7.4
Property	3.3	4.0
Cash	2.3	2.9
Other	2.1	1.1

Analysis of the amount recognised in the SOFA:

	2023	2022
	£	£
Current service cost	570,000	610,000
Contributions already paid by the employer	(570,000)	(540,000)
Net interest charge	20,000	70,000

Actuarial gains/(losses) on defined benefit pension scheme

Asset (gains)/losses arising during the period	520,000	(1,260,000)
Liability (gains)/losses arising during the period	(4,230,000)	(1,510,000)
Asset restriction	2,690,000	-

Movement in pension scheme deficit	(1,000,000)	(2,630,000)
------------------------------------	-------------	-------------

	2023	2022
	£	£
Actual return on assets:		
Interest income on assets	330,000	220,000
Gains/(losses) on assets	(520,000)	1,260,000
	(190,000)	1,480,000

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

15 Pensions (Continued)

Changes to the present value of the plan liabilities	2023	2022
	£	£
Opening scheme liabilities	13,210,000	13,840,000
Current service cost	570,000	610,000
Interest expense	350,000	290,000
Actuarial (gains)/losses on liabilities	(4,230,000)	(1,510,000)
Contributions by the participants	100,000	90,000
Net benefits paid out	(280,000)	(110,000)
	<hr/>	<hr/>
Closing scheme liabilities	9,720,000	13,210,000
	<hr/>	<hr/>
Changes to the fair value of the plan assets:	2023	2022
	£	£
Opening fair value of assets	12,210,000	10,210,000
Interest income	330,000	220,000
Remeasurement (loss)/gain on assets	(520,000)	1,260,000
Contributions by the employer	570,000	540,000
Contributions by the participants	100,000	90,000
Net benefits paid out	(280,000)	(110,000)
Asset restriction	(2,690,000)	-
	<hr/>	<hr/>
Closing fair value of assets	9,720,000	12,210,000
	<hr/>	<hr/>
Net scheme liabilities	-	1,000,000
	<hr/>	<hr/>

16 Financial Commitments

At 31 March 2023 the charity was committed to making the following payments under non-cancellable operating leases: -

	Plant & Machinery	
	2023	2022
	£	£
Leases expiring in: -		
< 1 year	8,133	-
2-5 years	67,292	110,498
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

17 Events after the reporting date

Transfer of Charitable Activities to the Company

In pursuit of our mission to enhance the efficiency and sustainability of our charitable initiatives, a strategic decision was made to transfer the management and operation of our charitable activities to a newly formed company limited by guarantee - The Smith Foundation Limited.

This transfer is yet to be executed due to delays with the Charity Commission meaning the new company is awaiting charitable status. It will however mark a pivotal step in our commitment to optimise the delivery of our charitable services. The establishment of The Smith Foundation Limited allows for enhanced focus and dedicated resources in furthering our charitable objectives.

We have taken all necessary steps to ensure the seamless transition of these activities to the new entity. The legal costs associated with this transfer are estimated to be £106,050 in total of which £28,495 have been met through the School Improvement Plan designated fund during the year to 31 March 2023 with the remaining estimated costs of £77,555 expected to be incurred during the current reporting period.

Exit from West Yorkshire Pension Fund (WYPF)

During the year, the Foundation decided to conclude its membership in the West Yorkshire Pension Fund (WYPF). This decision was made as part of our broader financial and operational restructuring efforts to better align our resources with our long-term strategic goals.

The exit from WYPF was executed post year end on 31 August 2023 in accordance with the relevant regulatory requirements and contractual obligations. As a result of this exit, the organisation is no longer a participant in the WYPF pension scheme.

We have and will continue to diligently manage the associated financial aspects of this transition, including the settlement of any outstanding liabilities or obligations as required by the pension fund's regulations. At the date of the approval of these accounts, the financial effect of exiting the Scheme based on an actuarial Exit Valuation dated 5 October 2023 is £3,803,000. This particular valuation assumes a 'probability of funding success' of 95%. We are advised by WYPF that a decision to update their funding strategy to reduce the probability of funding success to 90% is expected by the end of January 2024 and that this would reduce the Exit Valuation deficit; however definitive figures are not available at this time.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2023

18 Comparative Statement of Financial Activities

	Note	Unrestricted £	Restricted £	Endowment £	2022 Total £
Income and endowments from:					
Charitable activities	4	8,202,987	122,156	-	8,325,143
Investments	3	1,192	-	-	1,192
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		8,204,179	122,156	-	8,326,335
Expenditure on:					
Charitable activities:					
Salaries	14	5,251,478	-	-	5,251,478
Establishment costs	5	816,803	-	-	816,803
Education & welfare	6	1,046,696	83,780	-	1,130,476
		<hr/>	<hr/>	<hr/>	<hr/>
		7,114,977	83,780	-	7,198,757
Support and governance costs:					
Interest payable - pension		70,000	-	-	70,000
Depreciation		153,456	3,919	-	157,375
Professional fees		10,242	-	-	10,242
Clerk charges & subscriptions		13,868	-	-	13,868
Auditor remuneration		11,340	-	-	11,340
Actuary fees		426	-	-	426
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		7,374,309	87,699	-	7,462,008
		<hr/>	<hr/>	<hr/>	<hr/>
Net income before investment gains/(losses)		829,870	34,457	-	864,327
Net gains/(losses) on investments		1,687	-	5,660	7,347
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)	2	831,557	34,457	5,660	871,674
Transfers between funds		-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		2,770,000	-	-	2,770,000
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		3,601,557	34,457	5,660	3,641,674
Reconciliation of funds:					
Total funds brought forward		3,030,879	159,438	713,224	3,903,541
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	12	6,632,436	193,895	718,884	7,545,215
		<hr/>	<hr/>	<hr/>	<hr/>

All incoming resources expended derive from continuing activities.

THE SMITH FOUNDATION

England & Wales - Charity number 529132

Accounts

**THE SMITH FOUNDATION
ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

The Smith Foundation
Boothroyd
BRIGHOUSE
West Yorkshire
HD6 3JW
Tel: 01484 710123 Fax: 01484 721658
E-mail: chair@whschool.org.uk

THE SMITH FOUNDATION

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THE SMITH FOUNDATION

TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2022

Administrative Details, Trustees and Advisers

The Smith Foundation (529132) is governed by a Charity Commission Scheme dated 4 August 1998 amended by resolution 20 June 2000 and 5 July 2011.

The office for all correspondence is:

William Henry Smith School, Boothroyd, Brighouse, West Yorkshire, HD6 3JW.

Present trustees of the Foundation are:

Roger Tilbrook, Chair

Brendan Heneghan, Vice Chair

Andrew Fairbairn, Treasurer

Grant McIntosh

David Duncan

Michelle Cuffe (Appointed 6 July 2021)

Key officers

Trust Secretary: Vanessa Talbot

William Henry Smith School

Sue Ackroyd, Principal

Caroline Booth, Deputy Principal

Damien Talbot, Deputy Principal

Rajinder Randhawa, Deputy Principal (Resigned 31 October 2022)

Karl Adamski, Vice Principal

Trust Advisers and Agents:

Bankers

Lloyds Bank plc
6/7 Park Row
LEEDS
LS1 1NX

Solicitors

Weightmans LLP
Westgate Point
Westgate
LEEDS
LS1 2AX

Auditors

Firth Parish, Chartered Accountants
1 Airport West
Lancaster Way
Yeadon
LEEDS
LS19 7ZA

Land & Valuation Chartered Surveyors

Carter Jonas
Manor House
Nabbs Lane
Slaithwaite
HUDDERSFIELD
HD7 5AU

Health & Safety Consultants

Senior H & S Advisor
Calderdale H & S Department
Calderdale MBC

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2022

Chartered Surveyors

PSK Building Surveyors Limited
Batley Business Centre
513 Bradford Road
BATLEY
WF17 8LL

Historical Context

The Smith Foundation originates from a Trust established on the 16th of August 1916 by William Smith. The main purpose of that Trust was to establish a Home for orphan girls. This was changed to a home for boys and girls under a scheme of 1923 just after William died in 1922. The bulk of his estate had been intended for his cousin's adopted son William Henry Smith but unhappily he was killed in the 1914-18 war so this money too was passed to the Trust. The homes continued through the 1920's, 1930's and through the 1939-45 war. During the war they took in children from The Sailors' Orphan Home in Hull and also this school was used as a transit home for children from Sheffield.

In 1951 a scheme changed the name of the Trust to The Smith Homes. This came about following an approach by the Ministry of Education after the enactment of the 1948 Children's Act. The revised scheme allowed the continuance of the Homes for a limited time but added an authority for the Trustees to make grants to Special schools and to establish Special schools of their own.

Grants were made to Breckenborough and Chaigley Schools and Holly Bank House was purchased by the Trust to convert into a Special School for Physically disabled children. This School was opened in 1953 and was run by the Trust until 1998 when it was handed over to the newly formed Holly Bank Trust.

By the end of 1959 the last of the children left the Homes and by then plans were in hand to open a further residential special school in the buildings. The William Henry Smith School opened in September 1961 for 48 boys. In December of the following year the Charity Commission made a scheme that changed the name of the Trust to The Smith Foundation.

Over the next 30 years the school developed its education and social provision becoming recognised as a specialist school for very difficult and challenging boys, becoming very much a part of the national spectrum of special needs provision. During this period the Trustees with the help of the DfES provided a new science building, new kitchen and then portable classrooms and a Gymnasium. In the early 1990's it became clear that the residential accommodation needed to be replaced and the Trustees provided two new houses using some of their capital and money raised from Trusts.

In 1994 the Trustees commissioned a feasibility study that identified a plan to maximise the use of existing buildings through conversion and refurbishment to create new teaching facilities to allow the school to meet the challenges of the new millennium.

Since that time each summer there has been building work to fulfil the plan as money has allowed. This has seen the whole site transformed with derelict buildings becoming teaching and communal facilities, single en-suite bedrooms for all the boys and recreation improvements in the houses on the Care side of the school. On the Education side all the original temporary classrooms have been rebuilt to provide permanent accommodation; an IT suite, Assembly Hall, Design and Technology Rooms, Art Room, Music Room, Sports Hall, Life Skills Kitchen and a new therapy suite have been provided. There has also been onsite expansion in recent years including the addition of a new building for Commissioned Services known as Bespoke Education, Support and Tuition (BEST) in 2019 and in 2020 the purchase of an offsite building which has been developed and will be used as a 52-week children home from late 2022, known as Boothroyd.

In the current financial year the Trustees have purchased a further property offsite which was a former day nursery in Elland which will be used as a second BEST provision. Work has also commenced on converting Lowry house since the year end, from residential accommodation to a state of the art therapy building. Houses 5 and 6 have been converted during summer 2022 into a 4 bedroomed residential provision. These commitments are recognised in post balance sheet events.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2022

A final scheme was established by the Charity Commission in 1998 that revised the membership requirements for Trustees and the objects of the charity. The instruments and articles of the governing body of the school were revised at that time and approved by the DfES in 1999. The governing body was reconstituted during the academic year 1999/2000.

Structure, Governance and Management

Constitution

The Trust is governed by a Charity Commission Scheme dated 4 August 1998, as varied by a resolution of the Trustees dated 20 June 2000 and a further resolution dated 5 July 2011. Trustees serve for a period of five years.

All Trustees are nominated by current Trustees. In making appointments to the Trust, Trustees "shall have regard to the desirability of appointing persons". When vacancies arise, Trustees seek expressions of interests. So far this approach with prospective Trustees suggested by the present Trust body had provided a representative and active group of Trustees. When looking at vacancies the Trust considers the skills and experience gap in their body.

All prospective Trustees are informally interviewed by the chairman, who at that time makes verbal checks on the eligibility of Trustees. Each new Trustee is given an induction pack containing the charity's governing document, the Instruments and Articles of the school, the previous two sets of charity accounts and annual reports, together with previous meeting minutes of the Trust and Governing body. They are given a tour of the School by pupils of the school and meet senior members of the school management as well as the Trust secretary. DBS and the other relevant checks are initiated before a Trustee is finally accepted. At the first meeting of the Trust they attend they formally sign the minutes book declaration.

The Trustees are actively considering the optimum number of Trustees and examining their method of recruitment, induction and training.

The Trust secretary has reported that all Trustees had completed DBS checks in relation to Trustee's eligibility to fill a regulated position in accordance with the Criminal Justice and Court Services Act 2000, adding that since the Commission's Scheme sealed on 4th August 1998 all Trustees have signed a statement as follows:- "I the undersigned hereby declare that I am willing to accept the office and appointment of Trustee of The Smith Foundation and of acceptance and willingness to act in the Trusts of the scheme approved and established by the Charity Commission on the 4th August 1998".

Organisational structure

The Trustees delegate the running of the school to the governing body. They operate under Instruments and Articles approved by the DfES in 1999. The establishment of the governing body is up to 14 members: 7 Trustees, the Principal, 1 parent representative, 2 teaching staff representatives, 1 non-teaching staff representative, 1 representative Yorkshire and Humberside LA's and 1 other LA representative.

The Governing body in turn delegate the day to day running of the school to the Principal. In practice this means that the Trustees have final responsibility for the school staffing complement, audit and banking, insurance and security. They have joint responsibility with the governors and Principal for Admissions, Terms and Holiday dates, financial budgeting in the school, School Prospectus, the use of the school premises, all statutory policies such as Health & Safety, Religious Education and Sex Education. The Governors and Principal are jointly responsible for Staffing, Curriculum policy, welfare and child protection. The Principal is solely responsible for the organisation of the curriculum and the day-to-day running of the school.

The Governors fulfil these functions through three sub committees for Finance, School and Premises.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2022

Risk Assessment

During the year the Trustees have carried out a review of the risk assessment and confirm that all major risks have been reviewed and action plans are in place to mitigate these risks. The Emergency Plan and Business Continuity Plan are subject to regular review.

Objectives and Activities

Objective

- (a) To promote the education of children who have special educational needs, and in particular but in no way limiting the generality of the foregoing by the provision of a special school within the meaning of the education acts; and
- (b) To promote the general welfare of children and young persons requiring assistance who have or have had special educational needs, with preference for pupils and former pupils of the school of the charity.

Mission Statement

The Trust fulfils its objects by empowering everyone to become the best they can be through granting equity of access to provision of life enhancing opportunities leading to achievement, fulfilment and happiness.

Our vision supported by our whole community of services is to provide outstanding individualised education, care, welfare and support for children and young people experiencing social, emotional and mental health difficulties.

The Trustees recognise their three principal functions as:

- i) Overseeing the working and development of the William Henry Smith School, Boothroyd House and the BEST Provision through the work of the Governing Body and designated lead Trustees;
- ii) The safeguarding of the assets including finance, building and grounds in their care, and;
- iii) Planning for the future use of property and other assets.

Activities

To meet these objectives the Trustees, the Governors of the school, the Principal as Chief Executive Officer and senior members of staff have worked together on the continued development of the services. The Trustees for their part have continued to provide finance for capital development and have worked alongside the senior staff in developing a financial strategy covering all areas of the school. The return on investment has been carefully forecast.

Once again, a principal activity of Trustees this year has been that of critical friends, being active members of the school's governing body and working alongside the Principal and the senior staff in examining and promoting the School Self-Evaluation and Improvement Plan.

Staff training continues to be a vital part of school operation. The school actively aids all staff development to the long-term benefit of the school.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2022

Achievement & Performance

The school was awarded an 'Outstanding' rating by Ofsted in all eight areas of the school's operation, including the sixteenth consecutive outstanding rating for 'Care'. A splendid achievement for which we are all immensely proud.

Financial

The pension liability at 31 March 2022 was £1,000,000, a decrease from the previous year of £2,630,000. To control this liability no further entrants have been taken into this defined benefit scheme and all new employees now enter The Peoples Pension. Further investigation into a subsumption agreement with one or more of the Local Authorities in the West Yorkshire Pension Fund (WYPF) is being investigated to further reduce the liability alongside possible exit options.

Reserves Policy

The level of capital investment required in the financial strategy continues to be balanced against the need to maintain reserves at 50% of school running costs. This is continually monitored.

Plans for Future Periods including impact of Covid-19

Future plans, subject to reserves, include developing our offer and services further. The masterplan has also been reviewed and updated and subject to Budgets and planning permission the Trustees have a five-year plan to increase car parking provision on site and undertake capital replacement and improvement of existing buildings.

During the last 27 months, the spread of the Covid 19 virus alongside Brexit and world conflict caused and has continued to cause disruption to financial markets. The potential impact on the three pension schemes used by the school is ongoing. We receive regular communications and updates from providers. It is pleasing to see an improved position on the LGPS in 2022. The Trustees will continue to assess and monitor the ever-evolving situation in the months ahead. In the meantime, there are no immediate concerns about the school being able to continue trading and no concerns about the pension schemes being able to continue to operate successfully.

The Trust have recently embarked on a programme to convert to an Incorporated body. The Trustees see that the move from unincorporated charity status to an incorporated charitable company will provide greater protection to the Foundation and Trustees as well as allow greater flexibility with regard to future activities.

Future Prospects

The Trustees are confident for the future. This confidence is bolstered by a strong school management team, with excellent leadership and a balanced achievable strategy to deliver excellent results in ensuring boy numbers are maintained and a high level of success in education and care. This is further supported by recent changes such as a reduction in the lower age range to incorporate Key Stage 1 and a temporary increase in the maximum pupil admission number from 80 to 83. Other income streams such as BEST and 52-week will further supplement income.

Further Information & News

The school management team under the leadership of Sue Ackroyd has produced excellent results in the further development of the school in teaching, care and learning to bring out the full potential of the boys in the school. This success is further recognised in the finances of the Trust and gives us confidence to pursue further our improvement plans.

Please visit our new website at www.whsschool.org.uk

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors is unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)
For the year ended 31 March 2022

Public Benefit

In identifying the activities that the charity will undertake, the Trustees complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Statement of Trustees' Responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the policies adopted are in accordance with the Charities (Accounts & Reports) Regulations 2008 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved on behalf of the Board of Trustees and signed on their behalf by:



Brendan Henegan
Vice Chair of Trust

22 November 2022

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Opinion

We have audited the financial statements of The Smith Foundation (the "Charity") for the year ended 31 March 2022 which comprise of the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements. 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 Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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

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

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Responsibilities of the trustees

As explained more fully in the statement of the trustees responsibilities set out on page 6, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the executive committee either intend to liquidate the Charity 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 of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

The extent to which the audit is capable of detecting irregularities, including fraud, is affected by the inherent difficulties in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities resulting from fraud usually are inherently more difficult to detect than irregularities that result from error.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered: the nature of the industry and sector, control environment and business performance including the charity's remuneration policies; the results of our enquiries of management about their own identification and assessment of the risks or irregularities; any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations. We also considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We assessed the effectiveness of the internal control environment for minimising the incidences of irregularities and considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for irregularities including fraud to be in the following areas: the completeness of income, the operation and accounting for cut off around the year end date and the ability of management to override controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts in the financial statements. The key laws and regulations we considered in this context included the Charity Act 2011 and pensions legislation. 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 may be fundamental to the Charity's ability to operate to avoid a material penalty.

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Audit response to risks identified

We tested the operation of the sales system by checking that a sample of pupils resulted in the recognition of corresponding income. We addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Board that represented a risk of material misstatement due to fraud.

In addition to the above, our procedures to respond to risks identified included the following: reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and in addressing the risk of fraud through management override of controls, assessing whether the judgements made in making accounting estimates were indicative of a potential bias and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Firth Parish is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

22 November 2022

Firth Parish
Chartered Accountants
Statutory Auditor

1 Airport West
Lancaster Way
Yeadon
Leeds
West Yorkshire
LS19 7ZA

THE SMITH FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	Endowment £	2022 Total £	2021 Total £
Income and endowments from:						
Charitable activities	4	8,202,987	122,156	-	8,325,143	6,998,008
Investments	3	1,192	-	-	1,192	9,497
Total income		8,204,179	122,156	-	8,326,335	7,007,505
Expenditure on:						
Charitable activities:						
Salaries	14	5,251,478	-	-	5,251,478	4,471,852
Establishment costs	5	816,803	-	-	816,803	591,560
Education & welfare	6	1,046,696	83,780	-	1,130,476	874,924
		7,114,977	83,780	-	7,198,757	5,938,336
Support and governance costs:						
Interest payable - pension		70,000	-	-	70,000	50,000
Depreciation		153,456	3,919	-	157,375	117,724
Professional fees		10,242	-	-	10,242	13,454
Clerk charges & subscriptions		13,868	-	-	13,868	9,381
Auditor remuneration		11,340	-	-	11,340	11,820
Actuary fees		426	-	-	426	786
Total expenditure		7,374,309	87,699	-	7,462,008	6,141,501
Net income before investment gains/(losses)		829,870	34,457	-	864,327	866,004
Net gains/(losses) on investments		1,687	-	5,660	7,347	10,261
Net income/(expenditure)	2	831,557	34,457	5,660	871,674	876,265
Transfers between funds		-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme		2,770,000	-	-	2,770,000	(1,270,000)
Net movement in funds		3,601,557	34,457	5,660	3,641,674	(393,735)
Reconciliation of funds:						
Total funds brought forward		3,030,879	159,438	713,224	3,903,541	4,297,276
Total funds carried forward	12	6,632,436	193,895	718,884	7,545,215	3,903,541

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by funds in note 18 of the accounts


THE SMITH FOUNDATION

BALANCE SHEET

as at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Land & buildings	7		5,271,858		3,930,067
Furniture & equipment	7		66,719		85,698
Investments	8		344,530		55,979
			<hr/>		<hr/>
			5,683,107		4,071,744
Current assets					
Stocks		54,393		53,974	
Debtors	10	288,276		1,100,572	
Cash at bank and in hand		3,083,767		2,669,014	
			<hr/>		<hr/>
		3,426,436		3,823,560	
Liabilities					
Creditors falling due within one year	11	(564,328)		(361,763)	
			<hr/>		<hr/>
Net current assets			2,862,108		3,461,797
			<hr/>		<hr/>
Net assets before pension liability			8,542,775		7,533,541
Defined benefit pension scheme liability	15		(1,000,000)		(3,630,000)
			<hr/>		<hr/>
Total net assets			7,545,215		3,903,541
			<hr/>		<hr/>
The funds of the charity:					
Endowment funds			718,884		713,224
Restricted income funds			193,895		159,438
Unrestricted income funds:					
Unrestricted funds			7,332,030		6,425,971
Pension reserve	15		(1,000,000)		(3,630,000)
School Improvement Plan designated fund			300,406		234,908
			<hr/>		<hr/>
Total charity funds	12		7,545,215		3,903,541
			<hr/>		<hr/>

These Financial Statements were approved by the Trustees on 22 November 2022 and signed on their behalf by


Brendan Heffeghan
Vice Chair of Trust

THE SMITH FOUNDATION
STATEMENT OF CASH FLOWS
for the year ended 31 March 2022

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2022 £	2021 £
Net income for the year (as per the statement of financial activities)	871,674	876,265
Add back depreciation charge	157,375	117,724
Deduct interest income shown in investing activities	(1,192)	(9,497)
Net (gains) on investments	(7,347)	(10,261)
(Increase)/decrease in stocks	(419)	1,935
Decrease/(increase) in debtors	812,296	(469,763)
Increase in creditors	202,564	88,702
FRS102 pension adjustment	140,000	(50,000)
	<hr/>	<hr/>
Net cash provided by operating activities	2,174,951	545,105
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	1,192	9,497
Purchase of property, plant and equipment	(1,480,187)	(477,222)
Purchase of listed investments	(300,130)	-
Proceeds on sale of listed investments	18,927	-
	<hr/>	<hr/>
Net cash used in investing activities	(1,760,198)	(467,725)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	414,753	77,380
	<hr/>	<hr/>
Cash and cash equivalents brought forward	2,669,014	2,591,634
	<hr/>	<hr/>
Cash and cash equivalents carried forward	3,083,767	2,669,014
	<hr/>	<hr/>

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 Accounting Policies

Charity Information

The Smith Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The public address is William Henry Smith School, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Basis of preparation and assessment of going concern

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with FRS 102, with the requirements of the Charities Act 2011 and under the historical cost convention as modified by the revaluation of investments assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

The Trustees believe that the Foundation is a going concern because it has a strong balance sheet, good leadership and management to ensure boy numbers are maintained at a satisfactory level. The more recent addition of Commissioned Services (Bespoke Education, Support and Tuition) extends the school offering and makes a welcome financial contribution.

Stocks

Stocks are held for distribution at no or nominal consideration. Stocks are valued at the lower of cost and replacement cost.

Pensions

The charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity also contributes to a Defined Benefits pension scheme for non-teaching staff. Rates are set by the scheme Actuary and advised to the School by the Scheme Administrator. This scheme is now being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet. The trustees believe that the scheme currently meets statutory minimum funding requirements. The Trustees note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 Accounting Policies (Continued)

Income recognition

All income is recognised when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities and sale of goods, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for it. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown including the irrecoverable VAT.

Capital expenditure:

Freehold property will be capitalised and depreciated over 50 years. Regular valuations, other than for insurance purposes, are not considered to be of any benefit to the Trustees.

Fixtures & equipment will be capitalised and depreciated at 20% per annum on a straight-line basis. Any single item costing £1,000 or less will be written off.

Computer equipment is depreciated at 100% on a straight-line basis.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market value. The increase or decrease in fair value is credited or charged to the endowment fund in the statement of financial activities as unrealised gains or losses on investments. Income from the endowment fund is unrestricted.

Donations, legacies and grants

Donations, legacies and grants are credited to income as they are received.

Designated funds

The trustees set aside amounts within unrestricted funds for designated expenditure. The designated fund balances do not affect the statement of financial activities.

Leasing

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

1 Accounting Policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 `Basic Financial Instruments` and Section 12 `Other Financial Instruments Issues` of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

1 Accounting Policies (Continued)

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Defined benefit pension scheme liability

Determining the level of the defined benefit pension scheme liability requires updating the most recent actuarial valuation, allowing for appropriate financial and demographic assumptions. The liability at 31 March 2022 was £1,000,000 (2021 - £3,630,000). This calculation was performed by a qualified independent actuary and details are set out in note 15.

2	Net income/(expenditure)	2022	2021
		£	£
	Net income/(expenditure) is stated after charging:		
	Depreciation of tangible assets	157,375	117,724
	Operating lease rentals	58,488	68,092
	Auditors remuneration - audit	4,600	4,600
	- other services	6,740	7,220
		177,203	197,636
3	Investment income	2022	2021
		£	£
	Interest received	348	8,670
	Dividends	844	827
		1,192	9,497
		1,192	9,497

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

4	Income from charitable activities	2022 £	2021 £
	Fees : Standard	5,194,074	4,597,463
	: Additional services	1,526,006	1,119,060
	: Off roll/off site provisions	578,000	356,565
	: EFSA funding grant	488,871	530,841
	Other grants	485,650	377,727
	Other generated income	52,542	16,352
		8,325,143	6,998,008
	Grants comprise mainly of ESFA funding towards education.		
5	Establishment costs	2022 £	2021 £
	Cleaning	119,112	113,086
	Maintenance and security	377,558	214,585
	Heat and light	90,224	73,545
	Water	23,497	20,455
	Insurance	73,790	65,026
	Office costs	96,312	71,646
	Professional fees	35,107	28,675
	Boothroyd House	1,203	4,542
		816,803	591,560
6	Education and Welfare Costs	2022 £	2021 £
	Education costs	130,802	127,407
	ICT	76,832	68,905
	Catering	147,344	104,664
	Housekeeping and laundry	45,212	39,406
	Motor and travel	62,195	55,365
	Training	90,393	67,693
	Care	179,951	121,637
	Therapy	11,400	14,145
	Other	4,570	4,635
	School Improvement Plan – designated fund expenditure	297,997	171,511
	Other restricted and designated fund expenditure	83,780	99,556
		1,130,476	874,924

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2022

7 Tangible Fixed Assets

	Freehold Land & Buildings £	Computers £	Fixtures & Equipment £	Total £
Cost				
1 April 2021	5,596,412	52,269	450,411	6,099,092
Additions	1,480,187	-	-	1,480,187
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	7,076,599	52,269	450,411	7,579,279
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 April 2020	1,666,345	52,269	364,713	2,083,327
Charge for year	138,396	-	18,979	157,375
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	1,804,741	52,269	383,692	2,240,702
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
31 March 2022	5,271,858	-	66,719	5,338,577
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2021	3,930,067	-	85,698	4,015,765
	<hr/>	<hr/>	<hr/>	<hr/>

8 Investments

Movement in fixed asset investments

	2022 £	2021 £
Market value at 1 April 2021	55,979	45,718
Additions at cost	300,131	-
Disposals	(18,927)	-
Net gains on revaluations	7,347	10,261
	<hr/>	<hr/>
Market value at 1 April 2022	344,530	55,979
	<hr/>	<hr/>
Investments at market value comprised:		
Charities Official Investment Fund	61,640	55,979
Listed investments:		
Equities	176,447	-
Fixed interest securities	30,100	-
Alternatives	51,527	-
Property	24,816	-
	<hr/>	<hr/>
	344,530	55,979
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

9	Financial instruments	2022	2021
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	251,653	1,086,095
		<hr/>	<hr/>
	Carrying amount of financial liabilities		
	Measured at amortised cost	474,300	288,440
		<hr/>	<hr/>
10	Debtors	2022	2021
		£	£
	Trade debtors	250,516	1,081,600
	Other debtors	1,137	4,494
	Prepayments	36,623	14,478
		<hr/>	<hr/>
		288,276	1,100,572
		<hr/>	<hr/>
11	Creditors: amounts falling due within one year	2022	2021
		£	£
	Trade creditors	307,534	163,003
	Other taxes and social security	90,028	73,323
	Other creditors	109,128	97,298
	Accruals and deferred income	57,638	28,139
		<hr/>	<hr/>
		564,328	361,763
		<hr/>	<hr/>

Creditors includes deferred income of £24,884 (2021 - £nil), being BEST fees invoiced in advance.

12 Reserves	Unrestricted	Restricted Endowment		Total
	£	£	£	£
Brought forward	3,030,879	159,438	713,224	3,903,541
Surplus for the year	829,870	34,457	-	864,327
Increase in valuations	1,687	-	5,660	7,347
Pension movement	2,770,000	-	-	2,770,000
	<hr/>	<hr/>	<hr/>	<hr/>
	6,632,436	193,895	718,884	7,545,215
	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds represent grants and donations invested in buildings of £115,556 and the unspent portion of other grants totalling £78,339.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

12 Reserves (Continued)

Analysis of Net Assets between Funds

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment
	£	£	£	£	£	£
Fixed assets	4,565,777	115,556	657,244	3,239,046	119,474	657,245
Investments	282,890	-	61,640	-	-	55,979
Stock and debtors	342,669	-	-	1,154,546	-	-
Cash and bank	3,005,428	78,339	-	2,629,050	39,964	-
Creditors	(564,328)	-	-	(361,763)	-	-
Pension liability	(1,000,000)	-	-	(3,630,000)	-	-
	<u>6,632,436</u>	<u>193,895</u>	<u>718,884</u>	<u>3,030,879</u>	<u>159,438</u>	<u>713,224</u>

13 Transactions with Trustees

During the financial year the Smith Foundation was invoiced £146,293 (2021: £43,642) by PSK Building Surveyors Limited for property consultancy. Mr R Tilbrook and Mr G McIntosh are trustees of the Smith Foundation and directors and shareholders of PSK Building Surveyors Limited. A balance of £9,781 (2021: £13,920) was due to PSK Building Surveyors Limited at the year end.

14 Expenditure

	2022	2021
	£	£
Staff costs		
Wages and salaries	4,096,233	3,546,813
Social security costs	333,782	288,888
Pension costs (see note 15)	821,463	636,151
	<u>5,251,478</u>	<u>4,471,852</u>

Staff earning over £60,000

Employees with emoluments falling within the following bands:

	2022	2021
	Number	Number
£60,001 to £70,000	1	2
£70,001 to £80,000	3	2
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	<u>1</u>	<u>5</u>

Pension costs were £113,739 (2021: £130,414). 2 employees (2021: 1) were accruing benefits under defined contribution schemes and 3 employees (2021: 4) were accruing benefits under defined benefit schemes.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2022

14 Expenditure (Continued)

	2022	2021
	£	£
Average number of employees:		
Senior Leadership Team	6	5
Teaching Department	46	42
Care	25	24
Administration	13	12
Maintenance	7	7
Domestic	7	7
Education Support ISIP	66	54
Boothroyd House	1	-
	171	151
	171	151

No remuneration was paid to any of the trustees. Expenses of £202 were reimbursed to one trustee during the year (2021: £nil).

The key management team received remuneration of £440,835 (2021: £383,613).

15 Pensions

	2022	2021
	£	£
Contributions payable by the Foundation for the employees:		
Teachers Pension	148,396	121,682
West Yorkshire Pension Fund	605,939	454,085
Peoples Pension	67,128	60,684
	821,463	636,151
	821,463	636,151
Contributions outstanding at the yearend:		
Teachers Pension	17,808	14,848
West Yorkshire Pension Fund	47,511	50,502
Peoples Pension	11,005	8,132
	76,324	73,482
	76,324	73,482

Teachers Pension

The school contributes to the Teachers Pension Scheme (England & Wales) for the teaching staff. The assets of these funds are held separately from The Smith Foundation.

The Teachers Pension Scheme is a multi-employer defined benefits scheme, to which the school pays contributions at the rate set by the Scheme Actuary (currently 23.68% of pensionable earnings). The school has no responsibility for or benefit from any deficit or surplus of this Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school and it is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are accounted for when they fall due.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

15 Pensions (Continued)

Peoples Pension

The charity also operates a defined contribution scheme for qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund is also a multi-employer defined benefits scheme but in this case the school are required to make up the deficit of the Scheme relating to their employees and former employees. At the last valuation of the West Yorkshire Pension Fund made on 31 March 2019 the scheme was assessed to have a deficit. This deficit is set to be made up over a period of 22 years from 1 April 2020. The rate for contributions as set by the Fund Actuary for 2020/21, 2021/22 and 2022/23 was 36.4% of pensionable earnings.

The trustees recognise that action was being taken by the fund managers to recover the deficit over the next 22 years. The trustees believe that the school has sufficient reserves to meet any demands which may be made upon them in the future. In the meantime, the trustees address the issue by considering it within their budgeting and reserves policies.

Pension contributions for the West Yorkshire Pension Fund are determined by the scheme actuary on the basis of triennial valuations using the projected unit method. The most recent full actuarial valuation was on 31 March 2019 and was carried out by a qualified independent actuary. This has been updated by the actuary as at 31 March 2022.

The scheme was closed to new members during the year ended 31 March 2018.

The key assumptions used by the actuary were:

	2022	2021	2020
	% p.a.	% p.a.	%p.a.
Discount rate	2.7	2.1	2.3
Rate of inflation (CPI)	2.9	2.7	1.9
Rate of increase in salaries	4.2	4.0	3.2
Rate of increase to pensions	2.9	2.7	1.9
Pension accounts revaluation rate	2.9	2.7	1.9

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2022	2021
	Years	Years
Males		
Member aged 65 at accounting date	21.8	21.9
Member aged 45 at accounting date	22.5	22.6
Females		
Member aged 65 at accounting date	24.6	24.7
Member aged 45 at accounting date	25.7	25.8

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2022

15 Pensions (Continued)

The major categories of assets in the scheme as a percentage of total plan assets are as follows:-

	2022	2021
	%	%
Equities	79.8	79.7
Corporate Bonds	4.8	4.6
Government Bonds	7.4	8.3
Property	4.0	3.8
Cash	2.9	2.0
Other	1.1	1.6

Analysis of the amount recognised in the SOFA:

	2022	2021
	£	£
Current service cost	610,000	460,000
Contributions already paid by the employer	(540,000)	(560,000)
Past service cost	-	-
Net interest charge	70,000	50,000

Actuarial gains/(losses) on defined benefit pension scheme

Asset (gains)/losses arising during the period	(1,260,000)	(1,640,000)
Liability (gains)/losses arising during the period	(1,510,000)	2,910,000
Movement in pension scheme deficit	(2,630,000)	1,220,000

	2022	2021
	£	£
Actual return on assets:		
Interest income on assets	220,000	190,000
Gains/(losses) on assets	1,260,000	1,640,000
	1,480,000	1,830,000

Changes to the present value of the plan liabilities

	2022	2021
	£	£
Opening scheme liabilities	13,840,000	10,380,000
Current service cost	610,000	460,000
Past service cost	-	-
Interest expense	290,000	240,000
Actuarial (gains)/losses on liabilities	(1,510,000)	2,910,000
Contributions by the participants	90,000	100,000
Net benefits paid out	(110,000)	(250,000)
Closing scheme liabilities	13,210,000	13,840,000

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

15 Pensions (Continued)

Changes to the fair value of the plan assets:	2022	2021
	£	£
Opening fair value of assets	10,210,000	7,970,000
Interest income	220,000	190,000
Remeasurement (loss)/gain on assets	1,260,000	1,640,000
Contributions by the employer	540,000	560,000
Contributions by the participants	90,000	100,000
Net benefits paid out	(110,000)	(250,000)
	<hr/>	<hr/>
Closing fair value of assets	12,210,000	10,210,000
	<hr/>	<hr/>
Net scheme liabilities	1,000,000	3,630,000
	<hr/>	<hr/>

16 Financial Commitments

At 31 March 2022 the charity was committed to making the following payments under non-cancellable operating leases: -

	Plant & Machinery	
	2022	2021
	£	£
Leases expiring in: -		
< 1 year	-	18,113
2-5 years	110,498	67,807
	<hr/>	<hr/>

17 Events after the reporting date

Work has commenced on converting Lowry house from residential accommodation to a state-of-the-art therapy building. Houses 5 and 6 have been converted during summer 2022 into 4-bedroom residential provision. The charity has determined that these are non-adjusting events. Accordingly, the financial statements as of and for the year ended 31 March 2022 have not been adjusted to reflect any commitment to these projects.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2022

18 Comparative Statement of Financial Activities

	Note	Unrestricted £	Restricted £	Endowment £	2021 Total £
Income and endowments from:					
Charitable activities	4	6,905,826	92,182	-	6,998,008
Investments	3	9,497	-	-	9,497
Total income		6,915,323	92,182	-	7,007,505
Expenditure on:					
Charitable activities:					
Salaries	14	4,471,852	-	-	4,471,852
Establishment costs	5	591,560	-	-	591,560
Education & welfare	6	775,202	99,722	-	874,924
		5,838,614	99,722	-	5,938,336
Support and governance costs:					
Interest payable - pension		50,000	-	-	50,000
Depreciation		113,805	3,919	-	117,724
Professional fees		13,454	-	-	13,454
Clerk charges & subscriptions		9,381	-	-	9,381
Auditor remuneration		11,820	-	-	11,820
Actuary fees		786	-	-	786
Total expenditure		6,037,860	103,641	-	6,141,501
Net income before investment gains/(losses)		877,463	(11,459)	-	866,004
Net gains/(losses) on investments		-	-	10,261	10,261
Net income/(expenditure)	2	877,463	(11,459)	10,261	876,265
Transfers between funds		18,386	(18,386)	-	-
Actuarial (losses) on defined benefit pension scheme		(1,270,000)	-	-	(1,270,000)
Net movement in funds		(374,151)	(29,845)	10,261	(393,735)
Reconciliation of funds:					
Total funds brought forward		3,405,030	189,283	702,963	4,297,276
Total funds carried forward	12	3,030,879	159,438	713,224	3,903,541

All incoming resources expended derive from continuing activities.

THE SMITH FOUNDATION

England & Wales - Charity number 529132

Accounts

**THE SMITH FOUNDATION
ANNUAL REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

The Smith Foundation
Boothroyd
BRIGHOUSE
West Yorkshire
HD6 3JW
Tel: 01484 710123 Fax: 01484 721658
E-mail: chair@whsschool.org.uk

THE SMITH FOUNDATION

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THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT

For the year ended 31 March 2021

Administrative Details, Trustees and Advisers

The Smith Foundation (529132) is governed by a Charity Commission Scheme dated 4 August 1998 amended by resolution 20 June 2000 and 5 July 2011.

The office for all correspondence is:-

William Henry Smith School, Boothroyd, Brighouse, West Yorkshire, HD6 3JW.

Present trustees of the Foundation are:-

Roger Tilbrook, Chair

Brendan Heneghan, Vice Chair

Andrew Fairbairn, Treasurer

Grant McIntosh

David Duncan (Appointed 24 November 2020)

Michelle Cuffe (Appointed 6 July 2021)

Trevor Iles, former trustee, retired 10 July 2020

Key officers

Trust Secretary: Vanessa Talbot

William Henry Smith School

Sue Ackroyd, Principal

Caroline Booth, Deputy Principal

Damien Talbot, Deputy Principal

Rajinder Randhawa, Deputy Principal

Karl Adamski, Vice Principal

Steve Morris, Vice Principal

Trust Advisers and Agents:-

Bankers

Lloyds Bank plc

6/7 Park Row

LEEDS

LS1 1NX

Solicitors

Weightmans LLP

Westgate Point

Westgate

LEEDS

LS1 2AX

Auditors

Firth Parish, Chartered Accountants

1 Airport West

Lancaster Way

Yeadon

LEEDS

LS19 7ZA

Land Surveyors

Carter Jonas

Manor House

Nabbs Lane

Slaithwaite

HUDDERSFIELD

HD7 5AU

Property Consultants

Carter Jonas

13-15 Albert Street

HARROGATE

HG1 1JX

THE SMITH FOUNDATION

TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

Health & Safety Consultants

Senior H & S Advisor
Calderdale H & S Department
Calderdale MBC

Chartered Surveyors

PSK Building Surveyors Limited
Batley Business Centre
513 Bradford Road
BATLEY
WF17 8LL

Historical Context

The Smith Foundation originates from a trust established on the 16th of August 1916 by William Smith. The main purpose of that trust was to establish a Home for orphan girls. This was changed to a home for boys and girls under a scheme of 1923 just after William died in 1922. The bulk of his estate had been intended for his cousin's adopted son William Henry Smith but unhappily he was killed in the 1914-18 war so this money too was passed to the trust. The homes continued through the 1920's, 1930's and through the 1939-45 war. During the war they took in children from The Sailors' Orphan Home in Hull and also this school was used as a transit home for children from Sheffield.

In 1951 a scheme changed the name of the trust to The Smith Homes. This came about following an approach by the Ministry of Education after the enactment of the 1948 Children's Act. The revised scheme allowed the continuance of the Homes for a limited time but added an authority for the trustees to make grants to Special schools and to establish Special schools of their own.

Grants were made to Breckenborough and Chaigley Schools and Holly Bank House was purchased by the trust to convert into a Special School for Physically disabled children. This School was opened in 1953 and was run by the trust until 1998 when it was handed over to the newly formed Holly Bank Trust.

By the end of 1959 the last of the children left the Homes and by then plans were in hand to open a further residential special school in the buildings. The William Henry Smith School opened in September 1961 for 48 boys. In December of the following year the Charity Commission made a scheme that changed the name of the Trust to The Smith Foundation.

Over the next 30 years the school developed its education and social provision becoming recognised as a specialist school for very difficult and challenging boys, becoming very much a part of the national spectrum of special needs provision. During this period the trustees with the help of the DfES provided a new science building, new kitchen and then portable classrooms and a Gymnasium. In the early 1990's it became clear that the residential accommodation needed to be replaced and the trustees provided two new houses using some of their capital and money raised from trusts.

In 1994 the trustees commissioned a feasibility study that identified a plan to maximise the use of existing buildings through conversion and refurbishment to create new teaching facilities to allow the school to meet the challenges of the new millennium.

Since that time each summer there has been building work to fulfil the plan as money has allowed. This has seen the whole site transformed with derelict buildings becoming teaching and communal facilities, single en-suite bedrooms for all the boys and recreation improvements in the houses on the Care side of the school. On the Education side all the original temporary classrooms have been rebuilt to provide permanent accommodation; an IT suite, Assembly Hall, Design and Technology Rooms, Art Room, Music Room, Sports Hall, Life Skills Kitchen and a new therapy suite have been provided.

In the current financial year, the trust has continued to transform the site with the addition of a new building for Commissioned Services known as Bespoke Education, Support and Tuition (BEST).

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

A final scheme was established by the Charity Commission in 1998 that revised the membership requirements for trustees and the objects of the charity. The instruments and articles of the governing body of the school were revised at that time and approved by the DfES in 1999. The governing body was reconstituted during the academic year 1999/2000.

Structure, Governance and Management

Constitution

The trust is governed by a Charity Commission Scheme dated 4 August 1998, as varied by a resolution of the trustees dated 20 June 2000 and a further resolution dated 5 July 2011. Trustees serve for a period of five years.

All trustees are nominated by current trustees. In making appointments to the trust, trustees "shall have regard to the desirability of appointing persons who are members of a church associated with Churches Together in England". When vacancies arise the local secretary of Churches Together in Brighouse is asked to notify member churches seeking expressions of interests. So far this approach with prospective trustees suggested by the present trust body had provided a representative and active group of trustees, although more recently this route has not proved as successfully as previously. When looking at vacancies the trust consider the skills and experience gap in their body.

All prospective trustees are informally interviewed by the chairman, who at that time makes verbal checks on the eligibility of trustees. Each new trustee is given an induction pack containing the charity's governing document, the Instruments and Articles of the school, the previous two sets of charity accounts and annual reports, together with previous meeting minutes of the trust and Governing body. They are given a tour of the School by pupils of the school and meet senior members of the school management as well as the trust secretary. DBS and the other relevant checks are initiated before a trustee is finally accepted. At the first meeting of the trust they attend they formally sign the minutes book declaration.

The Trustees are actively considering the optimum number of trustees and examining their method of recruitment, induction and training.

The Trust secretary has reported that all trustees had completed DBS checks in relation to trustee's eligibility to fill a regulated position in accordance with the Criminal Justice and Court Services Act 2000, adding that since the Commission's Scheme sealed on 4th August 1998 all trustees have signed a statement as follows:- "I the undersigned hereby declare that I am willing to accept the office and appointment of Trustee of The Smith Foundation and of acceptance and willingness to act in the trusts of the scheme approved and established by the Charity Commission on the 4th August 1998".

Organisational structure

The trustees delegate the running of the school to the governing body. They operate under Instruments and Articles approved by the DfES in 1999. The establishment of the governing body is up to 14 members: 7 trustees, the Principal, 1 parent representative, 2 teaching staff representatives, 1 non-teaching staff representative, 1 representative Yorkshire and Humberside LA's and 1 other LA representative.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

The Governing body in turn delegate the day to day running of the school to the Principal. In practice this means that the Trustees have final responsibility for the school staffing complement, audit and banking, insurance and security. They have joint responsibility with the governors and Principal for Admissions, Terms and Holiday dates, financial budgeting in the school, School Prospectus, the use of the school premises, all statutory policies such as Health & Safety, Religious Education and Sex Education. The Governors and Principal are jointly responsible for Staffing, Curriculum policy, welfare and child protection. The Principal is solely responsible for the organisation of the curriculum and the day-to-day running of the school.

The Governors fulfil these functions through three sub committees for Finance, School and Premises.

Risk Assessment

During the year the Trustees have carried out a review of the risk assessment and confirm that all major risks have been reviewed and action plans are in place to mitigate these risks. The Emergency Plan and Business Continuity Plan are subject to regular review.

Objectives and Activities

Objective

- (a) To promote the education of children who have special educational needs, and in particular but in no way limiting the generality of the foregoing by the provision of a special school within the meaning of the education acts; and
- (b) To promote the general welfare of children and young persons requiring assistance who have or have had special educational needs, with preference for pupils and former pupils of the school of the charity.

Mission Statement

The Trust fulfils its objects by providing a renowned and highly effective Non-Maintained Residential Special School for boys experiencing Social, Emotional and Mental Health Challenges. The Trustees recognise their three principal functions as:-

- i) Overseeing the working and development of the William Henry Smith School through the work of the Governing Body;
- ii) The safeguarding of the assets including finance, building and grounds in their care, and;
- iii) Planning for the future use of property, school and other assets.

Activities

To meet these objectives the trustees, the Governors of the school, the Principal as Chief Executive Officer and senior members of staff have worked together on the continued development of the school. The trustees for their part have continued to provide finance for capital development and have worked alongside the senior staff in developing a 5 year strategic plan covering all areas of the school. The return on investment has been carefully forecast.

Once again a principal activity of trustees this year has been that of critical friends, being active members of the school's governing body and working alongside the Principal and the senior staff in examining and promoting the School Self-Evaluation and Improvement Plan.

Staff training continues to be a vital part of school operation. The school actively aids all staff development to the long term benefit of the school.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

Achievement & Performance

The school was awarded an 'Outstanding' rating by Ofsted in all eight areas of the schools operation, including the fifteenth consecutive outstanding rating for 'Care'. A splendid achievement for which we are all immensely proud.

Financial

The pension liability at 31 March 2021 was £3,630,000, an increase from the previous year of £1,220,000. To control this liability no further entrants have been taken into this defined benefit scheme and all new employees now enter The Peoples Pension. Further investigation into a subsumption agreement with one or more of the Local Authorities in the West Yorkshire Pension Fund (WYPF) is being investigated to further reduce the liability.

Reserves Policy

The level of capital investment required in the 5-year strategic plan continues to be balanced against the need to maintain reserves at 50% of school running costs. This is continually monitored.

Plans for Future Periods including impact of Covid-19

Future plans, subject to reserves, have included purchasing a 52-week provision to purchase a local bed and breakfast for which planning permission has been granted. This purchase took place in August 2020. The masterplan has also been reviewed and updated and subject to Budgets and planning permission the Trustees have a five year plan to increase car parking provision on site, undertake capital replacement to Heating plant in addition to converting Lowry House into a new Therapy building and converting the existing therapy facility into accommodation with ensuite facilities.

Provision of additional outdoor learning areas for all students has taken place this summer in respect of recovery planning in light of Covid-19 and guidance published by the DfE in June 2020 for full opening in Autumn 2020. It is anticipated additional further costs will be incurred in light of Covid-19 in the coming year such as IT related investment, Outreach Support, PPE, transport (2 more vehicles), cleaning, Food Vouchers for families, to name a few. Some of these costs will be offset by savings/reduced costs in other areas, some will be funded by additional funding by the DfE. However, it is expected there will be a slight increase in net expenditure as a result of this.

During the first Quarter of 2020, the spread of the Covid 19 virus caused and has continued to cause disruption to financial markets. The potential impact on the three pension schemes used by the school are as of yet unknown but we receive regular communications and updates from providers. The Trustees will continue to assess and monitor the ever evolving situation in the months ahead. In the meantime, there are no immediate concerns about the school being able to continue trading as a result of Covid restrictions and no concerns about the pension schemes being able to continue to operate successfully. For all providers they are maintaining business as usual with a number of staff working from home and we believe it is reasonable to conclude that we are not concerned about the ability of any provider to continue to pay pensioners, process contributions etc in a timely manner and services will continue to operate uninterrupted. In terms of the WYPF, there has been a lot of news lately about the fall in stock markets and the potential resultant impact on defined benefit pensions. Local Government Pension Scheme (LGPS) defined benefit pensions are not linked to stock market performance and are set out in statute. Although short term investment values may vary, the LGPS as a long-term investor is securely managed to address any longer term impacts. WYPF has therefore advised that LGPS Scheme members can therefore be assured that both their contributions and their pension, whether in payment or built up to date, will be unaffected.

We will continue to invest in the development and well-being of all students and staff.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

Future Prospects

The trustees are confident for the future. This confidence is bolstered by a strong school management team with excellent leadership and a balanced achievable strategy to deliver excellent results in ensuring boy numbers are maintained and a high level of success in education and care. This is further supported by recent changes such as a reduction in the lower age range to incorporate Key Stage 1 and a temporary increase in the maximum pupil admission number from 70 to 75. Other income streams such as BEST and 52-week will further supplement income, along with possible VAT refunds with regards to disabled bathroom relief which are anticipated to be in the region of £100k.

Confidence is further enhanced by the possibility of Calderdale MBC releasing some of the trustees' land from Green Belt building restrictions.

Further Information & News

The school management team under the leadership of Sue Ackroyd has produced excellent results in the further development of the school in teaching, care and learning to bring out the full potential of the boys in the school. This success is further recognised in the finances of the trust and gives us confidence to pursue further our improvement plans.

Please visit our new website at www.whsschool.org.uk

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors is unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

Public Benefit

In identifying the activities that the charity will undertake, the trustees complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements the trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether the policies adopted are in accordance with the Charities (Accounts & Reports) Regulations 2008 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

THE SMITH FOUNDATION
TRUSTEES' ANNUAL REPORT (CONTINUED)

For the year ended 31 March 2021

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved on behalf of the Board of Trustees and signed on their behalf by:



Roger J Tilbrook MRICS
Chair of Trust

23 November 2021

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Opinion

We have audited the financial statements of The Smith Foundation (the "Charity") for the year ended 31 March 2021 which comprise of the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements. 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 Charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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

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

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Responsibilities of the trustees

As explained more fully in the statement of the trustees responsibilities set out on page 6, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the executive committee either intend to liquidate the Charity 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 of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

The extent to which the audit is capable of detecting irregularities, including fraud, is affected by the inherent difficulties in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities resulting from fraud usually are inherently more difficult to detect than irregularities that result from error.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered: the nature of the industry and sector, control environment and business performance including the charity's remuneration policies; the results of our enquiries of management about their own identification and assessment of the risks or irregularities; any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud and the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations. We also considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We assessed the effectiveness of the internal control environment for minimising the incidences of irregularities and considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for irregularities including fraud to be in the following areas: the completeness of income, the operation and accounting for cut off around the year end date and the ability of management to override controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts in the financial statements. The key laws and regulations we considered in this context included the Charity Act 2011 and pensions legislation. 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 may be fundamental to the Charity's ability to operate to avoid a material penalty.

THE SMITH FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SMITH FOUNDATION

Audit response to risks identified

We tested the operation of the sales system by checking that a sample of pupils resulted in the recognition of corresponding income. We addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Board that represented a risk of material misstatement due to fraud.

In addition to the above, our procedures to respond to risks identified included the following: reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and in addressing the risk of fraud through management override of controls, assessing whether the judgements made in making accounting estimates were indicative of a potential bias and evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Firth Parish is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Firth Parish
Chartered Accountants
Statutory Auditor

23 November 2021

1 Airport West
Lancaster Way
Yeadon
Leeds
West Yorkshire
LS19 7ZA

THE SMITH FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	Endowment £	2021 Total £	2020 Total £
Income and endowments from:						
Charitable activities	4	6,905,826	92,182	-	6,998,008	6,523,167
Investments	3	9,497	-	-	9,497	12,967
Total income		6,915,323	92,182	-	7,007,505	6,536,134
Expenditure on:						
Charitable activities:						
Salaries	14	4,471,852	-	-	4,471,852	4,173,242
Establishment costs	5	591,560	-	-	591,560	570,323
Education & welfare	6	775,202	99,722	-	874,924	867,652
		5,838,614	99,722	-	5,938,336	5,611,217
Support and governance costs:						
Interest payable - pension		50,000	-	-	50,000	30,000
Depreciation		113,805	3,919	-	117,724	116,078
Professional fees		13,454	-	-	13,454	2,674
Clerk charges & subscriptions		9,381	-	-	9,381	8,254
Auditor remuneration		11,820	-	-	11,820	9,516
Actuary fees		786	-	-	786	816
Total expenditure		6,037,860	103,641	-	6,141,501	5,778,555
Net income before investment gains/(losses)		877,463	(11,459)	-	866,004	757,579
Net gains/(losses) on investments		-	-	10,261	10,261	(777)
Net income/(expenditure)	2	877,463	(11,459)	10,261	876,265	756,802
Transfers between funds		18,386	(18,386)	-	-	-
Actuarial (losses) on defined benefit pension scheme		(1,270,000)	-	-	(1,270,000)	(770,000)
Net movement in funds		(374,151)	(29,845)	10,261	(393,735)	(13,198)
Reconciliation of funds:						
Total funds brought forward		3,405,030	189,283	702,963	4,297,276	4,310,474
Total funds carried forward	12	3,030,879	159,438	713,224	3,903,541	4,297,276

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by funds in note 18 of the accounts

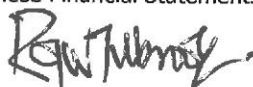
THE SMITH FOUNDATION

BALANCE SHEET

as at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Land & buildings	7		3,930,067		3,656,267
Furniture & equipment	7		85,698		-
Investments	8		55,979		45,719
			<hr/>		<hr/>
			4,071,744		3,701,986
Current assets					
Stocks		53,974		55,909	
Debtors	10	1,100,572		630,808	
Cash at bank and in hand		2,669,014		2,591,634	
			<hr/>	<hr/>	
		3,823,560		3,278,351	
Liabilities					
Creditors falling due within one year	11	(361,763)		(273,061)	
			<hr/>	<hr/>	
Net current assets			3,461,797		3,005,290
			<hr/>		<hr/>
Net assets before pension liability			7,533,541		6,707,276
Defined benefit pension scheme liability	15	(3,630,000)		(2,410,000)	
			<hr/>	<hr/>	
Total net assets			3,903,541		4,297,276
			<hr/>		<hr/>
The funds of the charity:					
Endowment funds			713,224		702,963
Restricted income funds			159,438		189,283
Unrestricted income funds:					
Unrestricted funds			6,425,971		5,712,707
Pension reserve	15	(3,630,000)		(2,410,000)	
School Improvement Plan designated fund			234,908		102,323
			<hr/>		<hr/>
Total charity funds	12		3,903,541		4,297,276
			<hr/>		<hr/>

These Financial Statements were approved by the Trustees on 23 November 2021 and signed on their behalf by



Roger J Tilbrook MRICS
Chair of Trust

THE SMITH FOUNDATION
STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021 £	2020 £
Net income for the year (as per the statement of financial activities)	876,265	756,802
Add back depreciation charge	117,724	116,078
Deduct interest income shown in investing activities	(9,497)	(12,967)
Net (gains)/losses on investments	(10,261)	777
Decrease/(increase) in stocks	1,935	(10,962)
(Increase) in debtors	(469,763)	(263,131)
Increase in creditors	88,702	12,476
FRS102 pension adjustment	(50,000)	150,000
	<hr/>	<hr/>
Net cash provided by operating activities	545,105	749,073
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and dividends	9,497	12,967
Purchase of property, plant and equipment	(477,222)	(389,840)
	<hr/>	<hr/>
Net cash used in investing activities	(467,725)	(376,873)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	77,380	372,200
Cash and cash equivalents brought forward	2,591,634	2,219,434
	<hr/>	<hr/>
Cash and cash equivalents carried forward	2,669,014	2,591,634
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 Accounting Policies

Charity Information

The Smith Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The public address is William Henry Smith School, Boothroyd Lane, Brighouse, West Yorkshire, HD6 3JW.

Basis of preparation and assessment of going concern

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with FRS 102, with the requirements of the Charities Act 2011 and under the historical cost convention as modified by the revaluation of investments assets.

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

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

The Trustees believe that the Foundation is a going concern because it has a strong balance sheet, good leadership and management to ensure boy numbers are maintained at a satisfactory level. The more recent addition of Commissioned Services (Bespoke Education, Support and Tuition) extends the school offering and makes a welcome financial contribution.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pensions

The charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The charity also contributes to a Defined Benefits pension scheme for non-teaching staff. Rates are set by the scheme Actuary and advised to the School by the Scheme Administrator. This scheme is now being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet. The trustees believe that the scheme currently meets statutory minimum funding requirements. The Trustees note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows.

Income recognition

All income is recognised when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities and sale of goods, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 Accounting Policies (continued)

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for it. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown including the irrecoverable VAT.

Capital expenditure:

Freehold property will be capitalised and depreciated over 50 years. Regular valuations, other than for insurance purposes, are not considered to be of any benefit to the Trustees.

Fixtures & equipment will be capitalised and depreciated at 20% per annum on a straight line basis. Any single item costing £1,000 or less will be written off.

Computer equipment is depreciated at 100% on a straight line basis.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid market value. The increase or decrease in fair value is credited or charged to the endowment fund in the statement of financial activities as unrealised gains or losses on investments. Income from the endowment fund is unrestricted.

Donations, legacies and grants

Donations, legacies and grants are credited to income as they are received.

Designated funds

The trustees set aside amounts within unrestricted funds for designated expenditure. The designated fund balances do not affect the statement of financial activities.

Leasing

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2021

1 Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2	Net income/(expenditure)	2021	2020
		£	£
	Net income/(expenditure) is stated after charging:		
	Depreciation of tangible assets	117,724	116,078
	Operating lease rentals	68,092	57,639
	Auditors remuneration - audit	4,600	4,500
	- other services	7,220	5,016
		<hr/>	<hr/>
3	Investment income	2021	2020
		£	£
	Interest received	8,670	12,156
	Dividends	827	811
		<hr/>	<hr/>
		9,497	12,967
		<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2021

4	Income from charitable activities	2021 £	2020 £
	Fees : Standard	4,597,463	4,294,185
	: Additional services	1,119,060	1,012,067
	: Off roll/off site provisions	356,565	345,782
	: EFA funding grant	530,841	516,206
	Other grants	377,727	319,653
	Other generated income	16,352	35,274
		6,998,008	6,523,167
	Grants comprise mainly of EFA funding towards education.		
5	Establishment costs	2021 £	2020 £
	Cleaning	113,086	103,966
	Maintenance and security	214,585	203,492
	Heat and light	73,545	75,122
	Water	20,455	16,104
	Insurance	65,026	53,229
	Office costs	71,646	79,423
	Professional fees	28,675	38,987
	52 Week pension	4,542	-
		591,560	570,323
6	Education and Welfare Costs	2021 £	2020 £
	Education costs	127,407	95,205
	ICT	68,905	59,265
	Catering	104,664	114,384
	Housekeeping and laundry	39,406	30,645
	Motor and travel	55,365	53,165
	Training	67,693	72,542
	Care	121,637	131,279
	Therapy	14,145	7,223
	Other	4,635	4,080
	School Improvement Plan – designated fund expenditure	171,511	227,986
	Other restricted and designated fund expenditure	99,556	71,878
		874,924	867,652

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

7 Tangible Fixed Assets

	Freehold Land & Buildings £	Computers £	Fixtures & Equipment £	Total £
Cost				
1 April 2020	5,214,083	52,269	355,518	5,621,870
Additions	382,329	-	94,893	477,222
Disposals	-	-	-	-
31 March 2021	5,596,412	52,269	450,411	6,099,092
Depreciation				
1 April 2020	1,557,816	52,269	355,518	1,965,603
Charge for year	108,529	-	9,195	117,724
Eliminated on disposals	-	-	-	-
31 March 2021	1,666,345	52,269	364,713	2,083,327
Net Book Value				
31 March 2021	3,930,067	-	85,698	4,015,765
31 March 2020	3,656,267	-	-	3,656,267

8 Investments

	Cost B/d & C/d £	Market Value B/d £	Unrealised Investment Gain/(Loss) £	Market Value C/d £
Charities Official Investment Fund				
1,579.56 Income Shares	3,210	23,467	4,848	28,315
Charities Official Investment Fund				
133.55 Accumulation Shares	3,868	22,252	5,412	27,664
	7,078	45,719	10,260	55,979

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

9	Financial instruments	2021 £	2020 £
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	1,086,095	612,307
		<hr/>	<hr/>
	Carrying amount of financial liabilities		
	Measured at amortised cost	288,440	208,353
		<hr/>	<hr/>
10	Debtors	2021 £	2020 £
	Trade debtors	1,081,600	610,849
	Other debtors	4,494	1,458
	Prepayments	14,478	18,501
		<hr/>	<hr/>
		1,100,572	630,808
		<hr/>	<hr/>
11	Creditors: amounts falling due within one year	2021 £	2020 £
	Trade creditors	163,003	91,745
	Other taxes and social security	73,323	64,708
	Other creditors	97,298	86,125
	Accruals and deferred income	28,139	30,483
		<hr/>	<hr/>
		361,763	273,061
		<hr/>	<hr/>

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

12 Reserves

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Brought forward	3,405,030	189,283	702,963	4,297,276
Surplus/(deficit) for year	827,463	(11,459)	-	816,004
Increase/(decrease) in valuations	-	-	10,261	10,261
Pension movement	(1,220,000)	-	-	(1,220,000)
Transfers between funds	18,386	(18,386)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,030,879	159,438	713,224	3,903,541
	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds represent grants and donations invested in buildings of £119,474 and the unspent portion of other grants totalling £39,964.

Analysis of Net Assets between Funds

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment
	£	£	£	£	£	£
Fixed assets	3,239,046	119,474	657,245	2,875,630	123,393	657,244
Investments	-	-	55,979	-	-	45,719
Stock and debtors	1,154,546	-	-	686,717	-	-
Cash and bank	2,629,050	39,964	-	2,525,744	65,890	-
Creditors	(361,763)	-	-	(273,061)	-	-
Pension liability	(3,630,000)	-	-	(2,410,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,030,879	159,438	713,224	3,405,030	189,283	702,963
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

13 Transactions with Trustees

During the financial year the Smith Foundation was invoiced £114,380 (2020: £104,679) by MTM Environment Care Limited, as cleaning contractors and £14,047 (2020: £12,848) by Trevor Iles Limited, as cleaning provisions providers, under normal trading conditions. Mr T Iles was a trustee of the Smith Foundation and is a director and shareholder of MTM Environment Care Limited and Trevor Iles Limited. A balance of £9,826 (2020: £7,173) was due to MTM Environment Care Limited and £1,317 (2020: £1,144) to Trevor Iles Limited at the year end date.

During the financial year the Smith Foundation was invoiced £43,642 (2020: £63,160) by PSK Building Surveyors Limited for property consultancy. Mr R Tilbrook is trustee of the Smith Foundation and a director and shareholder of PSK Building Surveyors Limited. A balance of £13,920 (2020: £4,550) was due to PSK Building Surveyors Limited at the year end.

THE SMITH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

14 Expenditure	2021	2020
	£	£
Staff costs		
Wages and salaries	3,546,813	3,181,380
Social security costs	288,888	254,062
Pension costs (see note 15)	636,151	737,800
	<hr/>	<hr/>
	4,471,852	4,173,242
	<hr/>	<hr/>
Staff earning over £60,000	2021	2020
	Number	Number
Employees with emoluments falling within the following bands:		
£60,001 to £70,000	2	1
£70,001 to £80,000	2	2
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
	<hr/>	<hr/>

Pension costs were £130,414 (2020: £75,948). One employee (2020: 1) was accruing benefits under defined contribution schemes and 4 employees (2020: 3) were accruing benefits under defined benefit schemes.

	2021	2020
	£	£
Average number of employees:		
Senior Leadership Team	5	5
Teaching Department	42	41
Care	24	23
Administration	12	11
Maintenance	7	6
Domestic	7	7
Education Support ISIP	54	45
	<hr/>	<hr/>
	151	138
	<hr/>	<hr/>

No remuneration was paid to any of the trustees, nor were any expenses reimbursed to any of the trustees, during the year (2020: none).

The key management team received remuneration of £383,613 (2020: £358,029).

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2021

15 Pensions

	2021	2020
	£	£
Contributions payable by the Foundation for the employees:		
Teachers Pension	121,431	93,834
West Yorkshire Pension Fund	454,085	610,065
Peoples Pension	60,635	33,901
	636,151	737,800
Contributions outstanding at the year end:		
Teachers Pension	14,848	12,869
West Yorkshire Pension Fund	50,502	38,196
Peoples Pension	8,132	13,460
	73,482	64,525

Teachers Pension

The school contributes to the Teachers Pension Scheme (England & Wales) for the teaching staff. The assets of these funds are held separately from The Smith Foundation.

The Teachers Pension Scheme is a multi-employer defined benefits scheme, to which the school pays contributions at the rate set by the Scheme Actuary (currently 23.68% of pensionable earnings). The school has no responsibility for or benefit from any deficit or surplus of this Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school and it is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are accounted for when they fall due.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund is also a multi-employer defined benefits scheme but in this case the school are required to make up the deficit of the Scheme relating to their employees and former employees. At the last valuation of the West Yorkshire Pension Fund made on 31 March 2019 the scheme was assessed to have a deficit. This deficit is set to be made up over a period of 22 years from 1 April 2020. The rate for contributions as set by the Fund Actuary for 2020/21, 2021/22 and 2022/23 was 36.4% of pensionable earnings.

The trustees recognise that action was being taken by the fund managers to recover the deficit over the next 22 years. The trustees believe that the school has sufficient reserves to meet any demands which may be made upon them in the future. In the meantime the trustees address the issue by considering it within their budgeting and reserves policies.

Pension contributions for the West Yorkshire Pension Fund are determined by the scheme actuary on the basis of triennial valuations using the projected unit method. The most recent full actuarial valuation was on 31 March 2019 and was carried out by a qualified independent actuary. This has been updated by the actuary as at 31 March 2021.

The scheme was closed to new members during the year ended 31 March 2018.

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

15 Pensions (Continued)

The key assumptions used by the actuary were:

	2021 % p.a.	2020 % p.a.	2019 %p.a.
Discount rate	2.1	2.3	2.5
Rate of inflation (CPI)	2.7	1.9	2.1
Rate of increase in salaries	4.0	3.2	3.4
Rate of increase to pensions	2.7	1.9	2.1
Pension accounts revaluation rate	2.7	1.9	2.1

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below:

	2021 Years	2020 Years
Males		
Member aged 65 at accounting date	21.9	21.8
Member aged 45 at accounting date	22.6	22.5
Females		
Member aged 65 at accounting date	24.7	24.6
Member aged 45 at accounting date	25.8	25.7

The major categories of assets in the scheme as a percentage of total plan assets are as follows:-

	2021 %	2020 %
Equities	79.7	77.5
Corporate Bonds	4.6	5.1
Government Bonds	8.3	9.6
Property	3.8	4.5
Cash	2.0	1.9
Other	1.6	1.4

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

15 Pensions (Continued)

Analysis of the amount recognised in the SOFA:

	2021	2020
	£	£
Current service cost	460,000	510,000
Contributions already paid by the employer	(560,000)	(490,000)
Past service cost	-	100,000
Net interest charge	50,000	30,000
Actuarial gains/(losses) on defined benefit pension scheme		
Asset (gains)/losses arising during the period	(1,640,000)	790,000
Liability (gains)/losses arising during the period	2,910,000	(20,000)
	<hr/>	<hr/>
Movement in pension scheme deficit	1,220,000	920,000
	<hr/>	<hr/>

	2021	2020
	£	£
Actual return on assets:		
Interest income on assets	190,000	210,000
Gains/(losses) on assets	1,640,000	(790,000)
	<hr/>	<hr/>
	1,830,000	(580,000)
	<hr/>	<hr/>

Changes to the present value of the plan liabilities

	2021	2020
	£	£
Opening scheme liabilities	10,380,000	9,710,000
Current service cost	460,000	510,000
Past service cost	-	100,000
Interest expense	240,000	240,000
Actuarial gains/(losses) on liabilities	2,910,000	(20,000)
Contributions by the participants	100,000	100,000
Net benefits paid out	(250,000)	(260,000)
	<hr/>	<hr/>
Closing scheme liabilities	13,840,000	10,380,000
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2021

15 Pensions (Continued)

Changes to the fair value of the plan assets:	2021	2020
	£	£
Opening fair value of assets	7,970,000	8,220,000
Interest income	190,000	210,000
Remeasurement (loss)/gain on assets	1,640,000	(790,000)
Contributions by the employer	560,000	490,000
Contributions by the participants	100,000	100,000
Net benefits paid out	(250,000)	(260,000)
	<hr/>	<hr/>
Closing fair value of assets	10,210,000	7,970,000
	<hr/>	<hr/>
Net scheme liabilities	3,630,000	2,410,000
	<hr/>	<hr/>
Peoples Pension		

The charity also operates a defined contribution scheme for qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the charity with respect to the scheme is to make the specified contributions.

16 Financial Commitments

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:-

	Plant & Machinery	
	2021	2020
	£	£
Leases expiring in:-		
< 1 year	18,113	12,482
2-5 years	67,807	59,615
	<hr/>	<hr/>

THE SMITH FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2021

17 Comparative Statement Of Financial Activities

	Note	Unrestricted	Restricted	Endowment	2020 Total
		£	£	£	£
Income and endowments from:					
Charitable activities	4	6,455,793	67,374	-	6,523,167
Investments	3	12,967	-	-	12,967
Total income		6,468,760	67,374	-	6,536,134
Expenditure on:					
Charitable activities:					
Salaries	14	4,173,242	-	-	4,173,242
Establishment costs	5	570,323	-	-	570,323
Education & welfare	6	804,397	63,255	-	867,652
		5,547,962	63,255	-	5,611,217
Support and governance costs:					
Interest payable - pension		30,000	-	-	30,000
Depreciation		112,159	3,919	-	116,078
Professional fees		2,674	-	-	2,674
Clerk charges & subscriptions		8,254	-	-	8,254
Auditor remuneration		9,516	-	-	9,516
Actuary fees		816	-	-	816
Total expenditure		5,711,381	67,174	-	5,778,555
Net income before investment gains/(losses)		757,379	200	-	757,579
Net gains/(losses) on investments		-	-	(777)	(777)
Net income/(expenditure)	2	757,379	200	(777)	756,802
Transfers between funds		(20,500)	20,500	-	-
Actuarial (losses) on defined benefit pension scheme		(770,000)	-	-	(770,000)
Net movement in funds		(33,121)	20,700	(777)	(13,198)
Reconciliation of funds:					
Total funds brought forward		3,438,151	168,583	703,740	4,310,474
Total funds carried forward	12	3,405,030	189,283	702,963	4,297,276

All incoming resources expended derive from continuing activities.