

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

The Smith Foundation
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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 Heffernan
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
		<hr/>	<hr/>
3	Investment income	2022	2021
		£	£
	Interest received	348	8,670
	Dividends	844	827
		<hr/>	<hr/>
		1,192	9,497
		<hr/>	<hr/>

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
		<hr/>	<hr/>
		8,325,143	6,998,008
		<hr/>	<hr/>
	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
		<hr/>	<hr/>
		816,803	591,560
		<hr/>	<hr/>
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
		<hr/>	<hr/>
		1,130,476	874,924
		<hr/>	<hr/>

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
	Surplus for the year	829,870	34,457	-
	Increase in valuations	1,687	-	5,660
	Pension movement	2,770,000	-	-
		<hr/>	<hr/>	<hr/>
		6,632,436	193,895	718,884
		<hr/>	<hr/>	<hr/>
				7,545,215
				<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	-
	<hr/>	<hr/>
	171	151
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	821,463	636,151
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	76,324	73,482
	<hr/>	<hr/>
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 % p.a.	2021 % p.a.	2020 %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 Years	2021 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.