



Percy Hedley
FOUNDATION

**Annual Report &
Accounts 2022/2023**
Year ended 31 August 2023



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Who We Are

The Percy Hedley Foundation is a charity dedicated to improving the every day lives of people with disabilities.

We want to help people with disabilities to live their best lives. We are driven by our vision for a world in which people with disabilities can realise their potential as equal and active citizens in control of their lives. This sits at the heart of everything we do. All of this is underpinned by both our passion to enrich people’s lives and by our moral and statutory responsibilities.

We get to work with extraordinary people every day. Some of our students, residents and service users have challenging needs and they and their families are an inspiration to us every day. Our commitment as a charity is simple, but one we do not take lightly. Some of our students, residents and service users have very complex needs and to enable them to live their best lives and reach their full potential, we need the best team, special facilities and equipment.

Our Values



We continually seek to improve



We inspire others



We do the right thing



We work together. One team, one Foundation



People at the heart of everything we do

What We Do

We help people develop their abilities, live the life they want and be happy by providing top quality care, education, day services, social enterprise and employment opportunities at our two schools, college, homes, and day service.



Schools

We are specialist education providers in North Tyneside and Newcastle upon Tyne. We have two schools that offer specialist education for a range of complex physical disabilities and learning difficulties and cater for children and young people aged 3 to 19.



College

Our college is a specialist further education provider for young people aged 16-25 with a range of learning disabilities. These young people require specialist programmes to develop communication, independence and employability in order to make a successful transition into adulthood.



Homes

We have four residential homes in Newcastle upon Tyne for people aged 18+. We offer a high standard of specialist person-centred care within a safe, homely environment.



Day Services

We offer bespoke day service programmes for people with complex disabilities and learning difficulties, where people can continue their day service goals, improve their mental well-being and take part in purposeful activities and enterprise.

Our Impact

The Percy Hedley Foundation is a charity dedicated to improving the every day lives of people with disabilities.

We want to help people with disabilities to live their best lives. We are driven by our vision for a world in which people with disabilities can realise their potential as equal and active citizens in control of their lives. This sits at the heart of everything we do. All of this is underpinned by both our passion to enrich people’s lives and by our moral and statutory responsibilities.



68

Residents within our homes



405,840

Hours of learning across our schools and college



1.2 Million

Hours of special education, lifelong learning, therapy and care



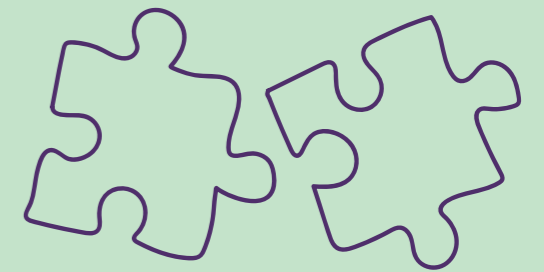
980

Employees across the Foundation in 2022/2023



160

People accessed lifelong learning through Adult Horizons



584

People with disabilities supported across the Foundation

Introductory Statement

So, let us start by saying thank you once more to all our employees and everyone who has been involved in keeping the Foundation strong during the difficult last few years, your resilience and courage has kept so many safe and well.

Despite adversity the Foundation has continued to do what it does best in providing a place where beneficiaries can inspire, believe, achieve and live their best lives possible.

We would like to take this opportunity to focus on a few areas of the Foundation, which have a particular resonance for us. Developing our ability to actively seek out and hear the voices of the people we support, as well as colleagues, is hugely important, and so it has been a personal pleasure to have been able to visit services regularly throughout the year.

We will also continue in our efforts to build a Foundation wide People Network to achieve our vision that the group can be the game changing voice for employees, beneficiaries and their families. This will mean we are better able to benefit from important insights and challenges.

Not least in our achievements throughout the year has been the work to refresh our corporate strategy - the heart of which is

to get even better at improving the lives of everyone we support. This starts with a turnaround phase and witnessing the progress already being made gives us great pride.

We know the leaders of the Foundation want to continue to collaborate and drive ahead with the significant work we have planned. This will set us up for the launch of our three year strategy in 2025.

The focus we have on improving the working lives of our employees will be captured in a new people strategy, and we are pleased that the Foundation was in a position during the year to deliver a significant pay and wellbeing investment.

Let us look forward to the coming year with confidence and a realistic sense of excitement around developments yet to come. However you support the Foundation, whether you are a family member or loved one, a partner, a commissioner or an education and care professional, I hope this report provides you with insight into some of the Foundation's most memorable moments of 2022/2023.

John Preston
Interim CEO

Janet Donnelly
Chair





Martino Lounge partnership



PHS This Is Me Festival



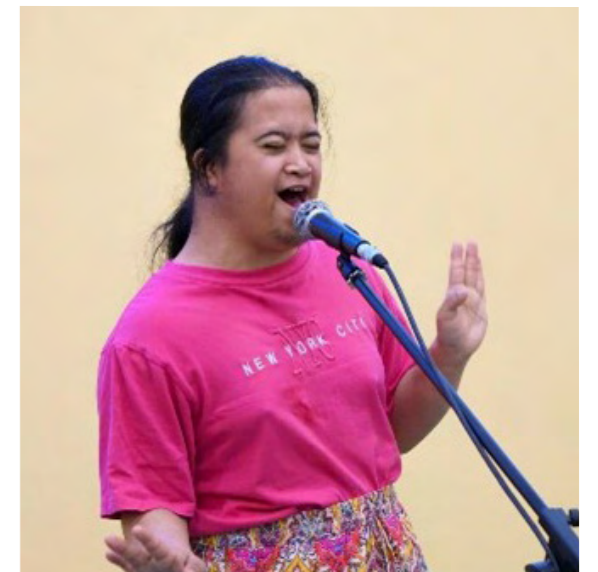
Donation to NCS for forest school

“We are so lucky that we work with this amazing school and feel like we are part of their magic! What a brilliant day with the most amazing people!”



College awards & graduation

“We are blown away by the talent shown”



Hedley's Got Talent



Highly Commended Award for Corporate Charity Partnership at North East Charity Awards for Hellens 50 for 50



#PaintTheToon



Joe Wicks visits PHS



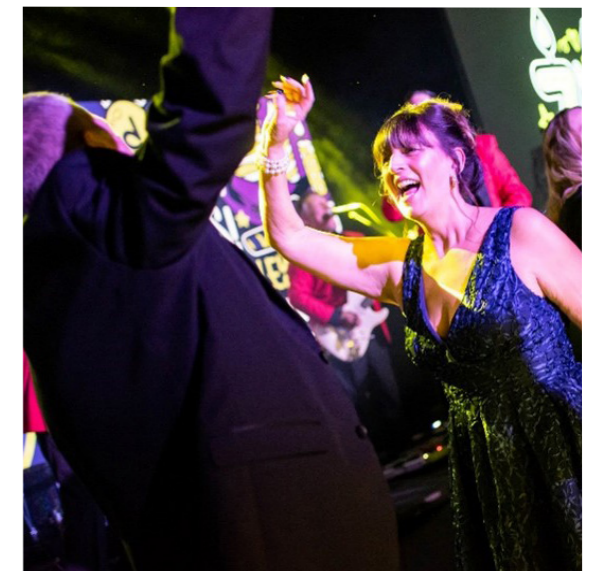
Corporate signing sessions

“The session was brilliant and we can’t wait to attend future events!”



Lord Mayor visits college

“My favourite night of the year”



Percy Hedley Ball 2023



Percy Hedley Turns 70

Percy Hedley School

Percy Hedley School (PHS) continues as an outstanding (since 2013) day special school with up to 175 pupils and over 200 staff, located in West Lane, Killingworth. Pupils' needs are complex and they have high levels of need in medical, learning and other therapeutic and educational areas of their development and growth; pupils attend from all over the North East.

School Plan and School Evaluation Form (SEF)

The school's priorities this year were to improve personal development, literacy across the curriculum, subject leadership, physical development, and follow through on plans and actions in safeguarding and therapy.

Priorities came from our school SEF, which is a dynamic document in which school leaders look at the service's journey and makes judgements on practice and future direction. Documents are shared with stakeholders such as governors, school improvement partners, senior leaders and the like, and referenced in monthly review meetings upwards.



Service Improvement Partner

The school has joined its host local authority, North Tyneside Council, Schools' Improvement Service. This service has become our School Improvement Partner (SIP) and has proved very helpful for consultancy, guidance, connectivity and governance. We have a range of partners under this arrangement who make visits, make links, write reports and work with staff. Teachers have also joined subject groups.

Other Stakeholders

We have an active local advisory committee of governors - a small number of committed colleagues, including two parents and two staff members. One of our parents is also a PHF trustee and we have had trustee visits over the course of the year.



Have satisfaction rates consistently at 90% and above



Up to 175 pupils and over 200 staff



Rated Outstanding since 2013

We have set up a Friends of PHS (FoPHS) which is a fun, dynamic, fundraising and awareness-raising body; the summer fayre is an example of this. We consult with parents and carers regularly over a range of issues and have satisfaction rates consistently at 90% and above.

We use Clennell as a safeguarding training partner, which has proved highly beneficial.

The school sends out three blogs every week: School News, Family Liaison and Online Safety, and continuously explores ways to improve communication including website enhancements.

The school plans to extend its provision and set up an early years service to meet the clear need in the community.

Within our improvement plan for the year ahead we plan to focus to a large part on physical development, leadership in the Foundation subjects particularly, behaviour for learning and preparation for adulthood.

We have invested in additional office and learning spaces throughout the school and this is something that continues to be reviewed every year.

We have had support from parents and others for fundraising and have plans to improve our site for our pupils and staff.

The school continues in its mission of delivering on its key drivers of communication, wellbeing and independence for all, and using our school values of respect, teamwork and resilience as our guiding principles – and school rules! Our vision is for multidisciplinary working to be so effective that our pupils get the best help possible for their additional needs.

PHS welcomes visits, questions, challenge and scrutiny, and aims to improve constantly on its practice, knowledge, skills, experience and relationships with partners. We have recently set up a group with two other schools for improvement, training, monitoring and networking purposes.



Percy Hedley School

Ambitions for the year ahead:

- Early years
- Improved website
- Physical development, preparation for adulthood, behaviour for learning, leadership in foundation subjects
- Site improvements for pupil and staff

What we achieved last year:

- Quality improvement: school plan, site improvements, school improvement partners and other professional links
- Retained Ofsted outstanding status following a no notice inspection in September 2022
- Improved relationship with parents and other partners and stakeholders
- Improved metrics and management information

Northern Counties School

Northern Counties School is a day special school with a capacity for up to 91 pupils and over 150 staff, located in Tankerville Terrace, Jesmond. Pupils' needs are complex and high in medical, learning, and other therapeutic and educational areas of their development and growth; pupils attend from all over the North East.

School Plan and School Evaluation Form (SEF)

The school's priorities this year were to improve all measurable areas within the Ofsted inspection framework: quality of education, personal development, behaviour and attitudes, leadership and management and safeguarding.

Priorities came from our school SEF, a dynamic document in which school leaders look at the school's journey and judge practice and future direction. We created a detailed School Improvement Plan (SIP) from the evidence within the SEF. Documents are shared with stakeholders such as governors, school improvement partners, senior leaders, and the like and referenced in monthly review meetings upwards.

Service Improvement Partner

The school appointed an independent school improvement partner in May 2023. They provided independent monitoring and guidance regarding writing our SEF and SIP. They assess and inspect various elements of the school, reporting back to the headteacher and other stakeholders, and

advise on the formulation of a plan to gain rapid improvement. Their advice on school improvement has been very insightful, and they provided connectivity and governance for the whole process.

Other Stakeholders

We have an active local advisory committee of governors – which are committed colleagues, including two parents and two staff members. The chair of governors has extensive education knowledge and has worked in many different educational organisations across Newcastle during his career. We have had several governor and trustee monitoring visits over the year.

We have established Friends of NCS, which is strengthening the link between school and families and advising on how to make it more holistic and sustainable. They host the annual summer school picnic.

In the last twelve months, they have helped and advised us on how best to increase our engagement with parents, which has helped to increase our parental satisfaction rates from 73% to 88%.



Increased parent satisfaction rates from 73% to 88% over the past 12 months

We use Clennell as a safeguarding training partner, which has proved highly beneficial and provides excellent supervision and support to our safeguarding team.

The school communicates daily to all parents via a written diary. We produce a half-termly newsletter for each class group, and all parents are invited to visit the school half-termly for various curriculum enrichment events. The headteacher produces a monthly Vlog to keep families, stakeholders, and families informed.

The Foundation has invested heavily in NCS's estate over the last twelve months, creating a fun and modern school.

Within our improvement plan for the year ahead, we will focus on making all areas of teaching and learning outstanding. We are also working on a project to measure the impact of therapies on our learners and monitor the positive outcomes over time.



Up to 91 pupils

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On track to achieve Good Ofsted rating in 2023/2024

NCS continues on its journey of school improvement. During the academic year of 2022/2023, we received three positive Ofsted monitoring inspections, each progressively better than the last. We anticipate a full inspection in the academic year of 2023/2024 when we are confident that we will be able to demonstrate significant progress and be judged a good school or better.

As we approach the end of the year, there is enthusiasm across the school, pupils, staff, and parents that 2023/2024 will be a clean start for NCS, full of energy, fun, and progressive learning for all. This is in part achieved because NCS welcomes visits, questions, challenges, and scrutiny and aims to improve constantly on its practice, knowledge, skills, experience, and relationships with partners every day.



Northern Counties School

Ambitions for the year ahead:

- The school achieves a good or better Ofsted rating and re-opens admissions for new placements
- All our pupils will achieve above national standards in all areas of learning
- Northern School Counties can grow its student numbers over 12 months
- To evidence the impact of therapies on the positive progress of our learners

What we achieved last year:

- The majority of pupils made significant progress in all areas of learning
- Investment in the school estate to create new and improved learning and outdoor spaces
- Very high levels of staff engagement and job satisfaction
- Increased engagement with parents and families within our learning community

Hedleys College

This year was a year of achievements, awards and a very successful Ofsted for Hedleys College!

Hedleys College welcomed Ofsted in November 2022 for a full inspection. As a college we achieved good in all areas with positive feedback. In our annual report 2021/2022 we detailed the growth of our service and in our Ofsted report it states “Since the previous inspection, leaders have expanded the provision so that more students can benefit from the care and education provided by leaders and staff at the college. Leaders have successfully sustained the quality of education that students receive”, a fact we are very proud of, with our students benefitting from a “strong focus on developing students’ independence, confidence and self-esteem”.

In July 2023 we achieved National Autistic Society (NAS) accreditation which is the UK’s only autism-specific quality assurance programme of support and development for all those providing services to autistic people. Achieving accreditation proves that an organisation is committed to understanding autism and setting the standard for autism practice. Autism accreditation is an internationally recognised quality standard.

Our report stated students “enjoy an increasing range of sensory experiences whilst developing regulation strategies to help them avoid sensory overload. Support enables autistic young people to take part in activities which are purposeful and engaging and which promotes their emotional wellbeing and social inclusion. Proactive and preventative strategies are employed to help each autistic individual avoid anxiety or distress and to help them understand and regulate their emotions”.

Hedleys College supports sharing of best practice in the sector and is a firm advocate for being part of the specialist college community regionally and nationally. This year we worked with other outstanding rated colleges to allow colleagues to learn from each other, observing practice and bringing back new ideas to develop our provision further.

Hedleys College continues to be an active member of the National Association of Specialist Colleges (Natspec) and each year Natspec recognise a number of colleges in their annual awards.



Achieved National Autistic Society (NAS) accreditation



Two awards from Natspec



Rated Good November 2022

This year Hedleys College for the first time was successful in two categories – winning Curriculum Innovation of the Year and Innovator of the Year, both being awarded for the Volunteer Police Cadet Programme alongside Northumbria Police which saw our first group of students enrol and graduate from the programme, which is also accessed by attendees in Hedleys Horizons.

We introduced a new role of EHCP and Destinations Manager this year and held our Beyond Education Event in March 2023. The event was to share with our students and their families possible services and destinations post-college. Thirty five exhibitors attended, improving our student outcomes and ensuring we fully support them to achieve their aspirations.





Hedleys College

Ambitions for the year ahead:

- Further develop and expand the delivery of our student led disability awareness training
- Develop family sessions supporting student aspirations and destinations post college
- Ensure all students have equal access to enrichment activities to broaden their horizons and raise aspirations

What we achieved last year:

- Received National Autistic Society (NAS) accreditation quality mark for how we support students with autism
- Won Innovator of the Year at the annual National Association of Specialist Colleges (Natspec) awards
- A full Ofsted inspection in November 2022 graded us as “Good” with very positive feedback in the area of personal development

Hedleys Horizons Day Services

As part of the development of Hedleys Horizons our activity leads completed their Award in Education and Training. The course allowed staff to develop their skills to differentiate activities, individualise goals and develop personal interests of our attendees.

Following the national drive to digitalise social care, all our attendees' support plans are now digital. This ensures updates can happen regularly and be easily shared between all departments and staff. Staff training has been delivered and local authority quality assurance visits over the year have welcomed the change.

Enterprise continues to be a major focus in Horizons and a new enterprise brochure has been developed seeing key products identified in all departments – ceramics, art, horticulture, print, digital and media. Sales are then being reinvested to purchase new equipment and marketing materials. Those involved are gaining skills and have a great sense of achievement from their successes. We received a grant of £2,500 to purchase uniforms for enterprise areas, promoting work skills and pride in their role within Horizons.

Our attendees on our sensory and activity programmes have enjoyed multiple community visits accessing leisure, transport and the local area supporting health and wellbeing, personal interests and new experiences. Visits from community groups such as Animal Antics, Northumbria Police, Jack and Josephine Project, a workshop delivered by the Theatre Royal, Wet Wheels Speed boat trips and canoeing with the Phoenix Youth Project to name a few. Trips away including residential to Beamsley and Kielder.

Accessible surfing has been a new activity offered this year in partnership with South Shields Surf School and is accessible to all – one attendee this year commented it was the first time they had ever felt the sea. Building on its success, a grant has been achieved to train our own staff as lifeguards to further develop this programme next year.



Hedleys Horizons Day Services

Ambitions for the year ahead:

- Further develop and expand the delivery of accessible surfing
- Launch an online sales platform for Handmade by Hedleys enterprise products
- Identify additional space to expand the Horizons offer and meet its demand

What we achieved last year:

- Delivered accessible surfing sessions, Wet Wheels (speedboat trips) and went on residential with service users
- Updated technology in our media department
- Appointed a new role of Head of Therapy to develop our therapy provision even further



Hedleys Horizons and College Police Cadets

Hedleys volunteer police cadets, with cadets from Hedleys College and Hedleys Horizons, were this year honoured to be:

- Shortlisted for a British Diversity Award
- Awarded the regional Volunteering in Policing Award
- Awarded the Curriculum Innovation of the Year Award by National Association of Specialist Colleges and the College won Innovator of the Year (Natspec)

Northumbria Police has provided an insight into the profession for young people with complex learning disabilities and communication needs.

The cadets have gained knowledge on anti-social behaviour, mental health and wellbeing, the roles within the police force and have been out on the beat, also representing the force at a number of community events.

Detective Superintendent Claire Wheatley of Northumbria Police said: "We believe that anyone who wants to make a difference should be given the chance."



“It is an honour to work alongside our Percy Hedley cadets and give them a taste of policing life. The passion and positive attitude of the cadets have made the first year of the programme a triumph - huge well done to everyone involved.”

Claire Wheatley
Detective Superintendent
Northumbria Police

Our Homes

Positive Behaviour Support and Restrictive Practices Focus

Our ambition is to enhance the quality of lives of the people who live in our services and achieve the most progressive support possible. This is underpinned by our quality assurance frameworks so that we can continually improve the support we deliver. In addition, we have started to extend and implement our clinical frameworks into residential services so that we have the highest standard, particularly for those with more complex needs. With our newly recruited Positive Behaviour Support (PBS) lead, we have been able to create a three year combined PBS and restrictive practice strategy which will embed a positive culture of positive behaviour support. This includes:

- Three key projects: governance and quality assurance, quality of delivery and service development and building capacity
- A clear, up to date policy with localised procedures
- An internally created innovative and interactive training module, rolled out to all residential staff
- Co-delivering face to face training to staff with assessment-based work to enhance knowledge
- Reducing restrictive practices across the organisation through new learning, organisational tools, and a clear strategy
- Creating an on-going quality assurance schedule so that we are continuously monitoring services

Care Management System

In line with the government's set "digital deadline" which stipulated that 80% of care services must be using a digital care planning system by March 2024, we have now successfully demonstrated, implemented and rolled this out within our care provisions. This has not only improved the quality of care delivered within services through better access to information at the point of care but it has significantly improved resource efficiency through improved use of staff resource, overheads, security, GDPR compliance, consumables and has reduced the risks associated with hard copy documents. As highlighted by the Department of Health and Social Care surrounding the imperative move to digitalisation across public services with a single record that is expected to drive common and community led outcomes, the Nourish care management platform will provide the first steps into the potential integration into other systems in the future.

Nourish has not only supported efficiency and safer practices, it has allowed us to create fundamental KPIs that will feed into the management dashboards for heightened oversight of our care provision's performance so that we are able to allocate resource and improve evidence-based decision making both localised and strategically.

Quality Assurance Framework

Quality within our residential care services is paramount as we ensure our beneficiaries can access care services that are person centred, safe, effective, caring and responsive. The care delivered should be supported by good leadership and management within each service.

We have introduced a new assurance framework guide which sets out the approach that the Foundation will take to ensure our care services provide what our individuals need. The framework underpins key values with one overall goal:

"To deliver the highest quality care and support and ensure that our services are safe."

As mentioned above with a focus on digitalisation, we have now set a range of quality assurance activities scheduled throughout a continuous programme on Care Compliance (a quality compliance tool) which is used to inform service development and improvement. It holds all actions on a single point which can be monitored locally and strategically. The management of this quality assurance system has had a positive effect on services which has been reflected in feedback from external professionals.



All services rated Good



80% digital care planning system



New Quality Assurance Framework



Our Homes

Next Steps:

Further digital transformation:

- Electronic rota system
- Integration of all systems in line with the ICT strategy
- Create more sophisticated ways to report data through MIS systems

Research, engagement and partnerships:

- Continue to collaborate with organisations who can support us to exceed in our transformation and come together to achieve highest quality care and support

Model of care:

- Continue with the modernisation of our services in line with 'Right care, right culture, right support' and ensure that they are fit for the future
- Continue with the framework of PBS and reduce restrictive practice; create a skilled workforce to promote safe and effective environments

Safeguarding

Safeguarding continues to be the priority for our services.

Our Safeguarding Group has placed a range of metrics, under a range of headings, at the forefront of our thinking, and work on those continues on a daily, operational basis. Headings for these metrics include reporting, training, behaviour, health and safety, and actions arising from audits and similar. The Safeguarding Group will now report into the new Quality and Standards Committee, providing a clear line of governance up to the Board. The Board of Trustees has a safeguarding trustee who chairs the Quality and Standards Committee and the educational local advisory committees have safeguarding governors.

One of the most important strategic aspects for the Foundation is for us as a company to be connected to the wider safeguarding community, people and systems. For that reason, sourcing external training providers is a very important aspect of our work, as is being a strong part of a multi-disciplinary partnership in our area – such as working with Departments of Adult Social Services and Departments of Children’s Services, the police, local authority officers, health professionals, and relevant others.

Some themes have become apparent over the year from our work, such as the importance of good induction, adherence to our codes of conduct, training compliance, rigorous responses to our health and safety audits, forensic care over medication, dysphagia, the use of agency and our approaches to behavioural presentations. Cross-Foundation approaches to problems such as these, training for relevant staff, learning from experience, and keeping aspects like this firmly on standing agendas are examples of how we have improved practice and will continue to do so with commitment to these principles.

The most important aspect, in our view, is culture and leadership, and these remain the key aspects to address on a constant basis in order to improve practice. Examples of our work here include focus on safer recruitment, training for all stakeholders, and the establishment of a People and Culture Committee to oversee the delivery of our People Strategy. Enhancing employee voice through external companies such as Safecall and HIVE, together with internal actions ie Health and Safety and HR staff “drop-ins”, local staff forums, and a Foundation wide people network. During the year there has been a particular focus on enhancing visible leadership from the Executive Team, senior leaders and the trustees.

This is combined with improved signposting and promotion of safeguarding, the appointment of a Director of Health and Wellbeing, investment in Positive Behaviour Support (PBS), and greater working relationship with external organisations and consultants.

Changes will be made to the Safeguarding Group as it continues to evolve, and changes will be made to the leadership of safeguarding across the company, as the Interim CEO and Executive Team’s vision and plans continue to be rolled out and implemented across the Foundation.

Our therapists are members of professional organisations such as the Royal College of Speech and Language Therapy, the Royal College of Occupational Therapists and the Chartered Society of Physiotherapy; this also increases safety.

Safeguarding remains present in risk registers at service and company level, and should continue to do so, for our beneficiaries, staff and other stakeholders.

Ewen Weir,
Safeguarding Trustee

Charlotte Jones,
Director of Health
and Wellbeing

John Steward,
Director of Education

Our People

The Foundation cannot provide the quality of services it does without highly skilled, talented and committed staff. Our staff are our most valuable asset and retaining and recruiting those quality employees is critical to the survival and growth of the charity.

Coming out of the pandemic into facing the pressures of the rising cost of living has seen a growing shortage of skilled staff across the UK, especially in the care and health sector. Percy Hedley, like other care and specialist education organisations, experienced staff shortages during the period and as part of assertive actions there was a review of pay structures and benefits. Alongside the suite of support measures already in place, such as retention and referral payments, death in service life assurance, eye care and discount schemes, two new schemes, hardship loans and “smartech” were introduced to offer staff alternative options when faced with large bills. The operational, recruitment and communication teams worked tirelessly to ensure recruitment campaigns were attracting talented and committed staff and also held and attended a number of careers fairs and open days, working together with local Job Centres, colleges and universities. The combination of all this activity meant that the Foundation was able to continue to deliver services during some of the toughest times for the sector.



The charity has 980 staff (as of 31 August 2023), many of whom are part-time or term-time staff, representative of and drawn from the surrounding local communities, with 7.2% declared as non-white British or black and minority ethnic. The gender split is 79.4% female and 20.6% male.

All staff are represented through Joint Negotiating Consultative Committee with five trade unions, a Foundation wide People Network and local staff forums. The Foundation also committed to having wellbeing co-ordinator roles across its operational teams and a speak-up guardian in place alongside the Foundation’s whistleblowing policy and procedures – all aimed at giving employees a voice and encouraging them to raise any concerns they may have.

Directors and trustees engage with staff through the governance structure with the Executive Team having delegated responsibilities for the operational aspect of the Foundation’s activities. The charity has a trustee led People and Culture Committee within its governance arrangements.

We operate an equality and diversity policy in respect of all employees and prospective employees. We maintain fair employment practices in the recruitment, selection, retention and training of all staff. All staff are subject to necessary Disclosure and Barring Service (DBS) checks and safeguarding training.

The Foundation is committed to staff training, development and induction. It continued to be extremely difficult to release staff for training in the period but despite

this over 750 face to face training hours were provided – over 1535 attendances on face to face training sessions.

The Foundation remains committed to being an organisation that provides opportunities for staff to receive the training they need to carry out their role and also to be able to progress their careers within the Foundation. This year there are 4 staff completing postgraduate studies and coaching and mentoring support has also been put in place through a nationally acclaimed external provider. There are 22 apprentices enrolled on apprenticeship qualifications. Funding was also provided by the Foundation to offer 5 new apprentice roles across a number of teams.

The Foundation has an open policy in seeking and encouraging staff views through local and Foundation wide groups. There is also a comprehensive Foundation wide staff survey conducted by an external company and in April 2023 65% of the workforce participated. The results reflected that staff take pride in their work and their role within the organisation. It also gave us great insight to areas to nurture and areas to develop.

Ambitions for the year ahead include:

- Commence accreditation to Better Health at Work Award
- Improve equality diversity and inclusion
- Achieve Good Work Pledge
- Continue to focus on employee voice
- Continued improvement in our recruitment, retention and engagement performance



Fundraising

The Percy Hedley community continues to support us during challenging economic times.

Though much of the charity's income is from statutory sources, we are dependent on fundraising to help fund our specialist facilities and to enhance the resources and experiences for those who depend on what we provide.

We know that the support from people and organisations is vital to enable us to meet the growing need for our services and we are deeply grateful for the enormous generosity of all of our supporters, who enabled us to fundraise and raise £350,094 (gross income) during 2022/2023.

Here are a few examples of how we were supported during the year:

Hellens Group 50 for 50 campaign

Hellens Group set a target to raise £50,000 for The Percy Hedley Foundation by February 2022 to mark their 50th anniversary. They raised a huge £64,415 through a series of events, including a ladies' lunch, golf day, and a garden party. The money raised is providing the Foundation with a second sensory modulation and rebound therapy suite to develop pupils' physical health and wellbeing, through activities tailored to their needs. The campaign was shortlisted for a North East Charity Award.

Great North Run

77 runners joined Team Percy Hedley and raised a grand total of £18,238 for the Foundation by completing the landmark half marathon, the Great North Run.

70th Birthday Percy Hedley Ball

The Foundation celebrated its 70th birthday in style through a fundraising ball with almost 300 guests, whose generosity helped us raise £71,221.

Growing Our Community

One of our areas of focus during the year was to tell our story and increase the number of people that know about the Foundation and our impact. During the year we saw:

- 38% increase in subscribers to our e-newsletter
- Increased social media following:
 - Facebook - 8.7%
 - Instagram - 21.5%
 - LinkedIn - 69.3%
- 2,265 posts across our social channels and 2,391,645 impressions across our channels
- 43.12% increase in sessions on our website

Fundraising Practices

We have high standards about how we fundraise, communicate with supporters and the public as set out in our Supporter Promise. Fundraising activities are carried out in accordance with the Code of Fundraising Practice and we comply with the law as it applies to charities and fundraising.

We have a Customer Relationship Management (CRM) database in place to support our fundraising oversight, ongoing adherence to General Data Protection Regulation (GDPR), financial record keeping, monitoring and evaluation. In 2022/2023 there were no compliance issues raised about our fundraising by the Charity Commission, Fundraising Regulator, or Information Commissioner's Office.

In 2022/2023 we did not engage any professional fundraisers or commercial participators, for example face to face or door to door fundraisers. Our complaints process is clear and easily accessible. Complaints received are recorded and investigated in line with the charity's complaints policy. In 2022/2023, there were no complaints about fundraising activities carried out by the charity or someone on behalf of the charity.

We make it as easy as possible for people to contact us to opt out of receiving communications from us, or to change the method of communication.



Thank you for your support

The Percy Hedley Foundation is grateful to all the people and organisations that have supported the charity. Together we have made a huge difference to the lives of young people with complex disabilities. We need to meet the growing demand for our specialist support, and ensure we have the right specialist facilities and opportunities and experiences that enable our beneficiaries to live life to the full. By raising awareness of the impact of our work, by working closely with supporters and by engaging new ones, we will strive to achieve this.

The Foundation would like to express its sincere thanks to all of its supporters throughout the year.

Ambitions for the year ahead:

- Launch Growth Strategy
- Implement a new Corporate Approach focused on building meaningful partnerships with organisations aligned to the Foundation's values
- Develop new residential services
- Increase public awareness of the Foundation, its work and impact
- Develop and grow the supporter database and the provision of a supporter engagement first approach to fundraising
- Grow our community of stakeholders, building engagement and support and deepening our understanding of the issues affecting disabled people

What we achieved last year:

- Launched a new, accessible website which resulted in increased website sessions by 43.1%
- Grown our network of supporters by over 50%
- 2,391,645 impressions across our social media channels



Our Future Plans – Stability and Growth

The Foundation has come out of this difficult period stronger, more focused and ready to develop and grow. It is fitting that in our 70th year we launched the corporate strategy aiming to make us fit for the future, building firm foundations on which we will grow. Despite challenges ahead we will always remain focused on delivering the Foundation's vision and ambitions for years to come when making decisions. Percy Hedley has ambitious plans to grow and provide care, support and specialist learning to more young people and adults while protecting and maintaining the quality of our existing services with highly skilled and committed staff.

The need for the Foundation's specialist services continues to rise. The total number of children and young people with Education, Health and Care (EHC) plans has continued to increase, up 9% from 2022, according to national statistics published June 2023.

At the forefront of our plans is better use of technology through the renewal of our IT strategy. We have a clearer focus on ensuring that the charity is digitally enabled and able to embrace innovations into what we do each and every day.

We have established a Transformation Advisory Group with leaders from across the Foundation focused on prioritising technology projects that will make a difference to how we deliver services. Our residential teams have already embraced their change programme which includes the implementation of the Nourish care management platform; the immediate impact on the care we provide is clear. The platform is expected to transform the way support is delivered and in due course will also capture the achievements of the people we support. This work allows the Foundation to demonstrate to local authorities and commissioners that the Foundation is investing for its future.

Our growth strategy is to be able to launch new services within two years that will help us educate the youngest in society whilst building new services that enable people with learning disabilities to live independently in their own homes.

Principal Risks and Uncertainties

The Foundation's Board of Trustees is responsible for ensuring that effective and adequate risk management and internal quality control systems are in place to identify and manage the key risks to the charity.

The Executive Team and Board of Trustees are responsible for overseeing the risk management process. This involves a consistent approach to identifying, assessing and mitigating the risks facing our charity to ensure they do not exceed the level of risk we are willing to accept. It is designed to manage, rather than eliminate, the risks to our charitable objectives and provide reasonable assurance against material risks.

The processes in place regarding risk management include:

- Audit and Risk Committee which considers and reviews the top strategic risks
- A comprehensive Board assurance and quality assurance framework
- A risk policy and procedure whereby risks are regularly reviewed by the senior management team and documented in a risk register combined with clear risk appetite statements which set out risk tolerance levels

Our risk profile going forward:

We continued to face several ongoing risks in key areas over the period and challenges to secure appropriate levels of fee settlements from local authorities at levels that allow us to maintain services. The potential risks associated with this include:

- Retention and recruitment of social care and therapy staff, in particular, when faced with increasing competition from other sectors such as retail and the NHS
- Balancing budgets to meet salary pressures whilst also maintaining IT, information security and estates capital development programmes across the portfolio
- Addressing concerns associated with operating a school in special measures, addressing the shortcomings identified by the regulator and the financial impact this has had on the charity
- Maintaining existing and developing new high quality services that meet the needs of commissioners and service users



Structure, Governance and Management

The Percy Hedley Foundation was founded in 1953 and is a charity registered in England and Wales (Charity Commission registration number 515943), and a company limited by guarantee (registered in England, company number 01855026).

The charity is governed by its Articles of Association incorporated on 12 October 1984, adopted on 1 November 2005, and last amended on 8 November 2014. Northern Counties School, now an integrated part of the Foundation as a result of the merger in October 2005, was founded in 1838.

The Foundation abides by the Charity Governance Code for larger charities, which sets the principles and recommended practice for good governance. The Foundation is led and governed by a Board of Trustees.

The trustees are volunteers who give their time freely and do not receive any financial benefits or emoluments from the charity. Any expenses claimed are set out in note 11 to the accounts.

The trustees have full legal responsibility for the actions of the Foundation. Trustees are appointed for a three-year term, after which they are eligible for re-appointment.

Trustees are directors of the company for the purposes of the Companies Act 2006, and each trustee agrees to contribute £1 in the event of the charity winding up.

The trustees bring a range of skills, competence, and experience to the charity in accordance with the Board competency assessment framework, which is designed to ensure the Board reflects the breadth of the Foundation's work and Board responsibilities. We seek new trustees who can fulfil areas of competency required, as identified by the framework.

Trustees in office during the year, and at the date of signing these financial statements, are set out on page 59.

Public Benefit Statement

In accordance with Section 17 of the Charities Act 2011, the trustees have due regard to the Charity Commission's general guidance on public benefit and are confident that the services delivered meet public benefit requirements now and into the future, as demonstrated throughout this report.



Organisational Structure and Decision Making

The Board of Trustees is responsible for the governance and strategy of the Foundation, ensuring that the charity is solvent, properly run and delivers its charitable purpose.

The Board of Trustees delegates the day-to-day responsibility for running the Foundation and delivery of strategy to the Executive Team, led by the Interim Chief Executive Officer.

The Executive Team has delegated authority, within the terms of delegation approved by the trustees for operational matters including finance, employment and the sound running of the Foundation's services.

The Board of Trustees meets at least four times per year and delegates specific responsibilities and activities to various sub committees including Finance, Audit and Risk, People and Culture, Quality and Standards, and Nomination and Remuneration. This is in addition to the local advisory committees for Percy Hedley School, Northern Counties School and Hedleys College.

Our Board and Committee Structure

Board and sub committee meetings are held in accordance with an annual schedule aligned to the business cycle.

Annually the Nomination and Remuneration Committee reviews the governance structure and members, and the latest review introduced a Quality and Standards Committee aligned to key strategic objectives.

Trustee Selection, Induction and Appraisal

The Nomination and Remuneration Committee meets regularly to review the composition of the Board of Trustees and its committees, to review succession plans, identify development needs and to ensure the Board has the appropriate breadth and balance of competency.

The recruitment of new trustees is carried out through a process of open advertisement followed by interview and selection by the Nomination and Remuneration Committee, whose proposals are reviewed and approved by the Board of Trustees. Trustee applicants are assessed against a competency assessment framework, and existing trustees renew competency assessments on an annual basis.

New trustees receive a programme of induction which includes training as appropriate, operational site visits to meet staff and beneficiaries, individual meetings with members of the Executive Team and access to an electronic reading room containing all key documents relating to the charity's constitution, governance arrangements, roles and responsibilities of trustees, Board terms of reference and code of conduct.

This is to ensure trustees gain a greater understanding about the work of the Foundation and the expectations of their role as trustee, and can identify opportunities to become more involved. Trustee appraisals are carried out annually to review and support individual needs.

Pay Policy for Senior Staff

The trustees consider that the board of directors who are the Foundation's Board of Trustees and the Executive Team comprises of the key management personnel of the charity. The pay of the Executive Team is reviewed annually.

The trustees believe that the levels of remuneration should be sufficient to attract, retain and motivate a team of the quality required to run a large charity. The Foundation ensures that remuneration levels are linked to a regular objective setting system of performance appraisal and benchmarked against comparable roles. The Executive Team is paid on the basis of a fixed salary and is commensurate with experience, responsibilities and performance.

Trustees' Indemnities

Included within insurance charges is an annual charge of £1,736 (2022: £2,170) for Trustee Indemnity Insurance.

Section 172 Statement

The trustees, as company directors in accordance with the Companies Act, consider that they have individually and collectively acted in good faith and fairly to promote the success of the charity, having due regard to, amongst other matters, the requirements of Section 172 of the Companies Act:

The likely consequences of any decision in the long term

The long term sustainability of the Foundation to enable continued delivery of its charitable purpose and objectives is considered when making decisions. The work throughout the year to refresh our corporate strategy focuses on improving the lives of everyone we support. The trustees and management continuously review the strategic plan and areas for potential development of the charity's services and furthering the charitable purpose. The future direction of the charity's work is informed by feedback received from engagement with stakeholders.

The interest of the company's employees

The Foundation takes great pride in its workforce on whom it depends for the delivery of its services. The trustees recognise that our employees are our biggest asset. The success of the Foundation depends on attracting, developing and retaining talented, committed and highly skilled people. We aim to be a responsible employer in our approach to the pay and benefits our employees receive, and the health, safety,

wellbeing and working environment for our employees is of paramount importance to us. The Board receives regular workforce updates in respect of all the above. Trustees factor the implications for employees and the wider workforce into decision making where relevant and feasible.

The desirability of the company maintaining a reputation for high standards of business conduct

The Foundation has in place a range of policies, procedures and processes that promote corporate responsibility and ethical behaviour, covering matters such as, but not limited to, fundraising, safeguarding, equality and diversity, and whistleblowing. The Foundation operates a business assurance framework to manage regulatory and legal risk and is committed to complying with applicable laws and regulations relating to anticorruption, anti-bribery, human rights and modern slavery.

The Board and its committees review and take on board customer and regulatory guidance and recommendations regarding good practice. The Foundation's core activities support vulnerable young people and adults, and safeguarding is central to its operations.

The need to act fairly between members of the company

The trustees understand and adhere to the Charity Commission requirements and understand the need to avoid and effectively manage potential conflicts of interest.

The impact of the company's operations on the community and environment

Trustees recognise the responsibility to care for the environment and the need to minimise the environmental impact in all of the Foundation's activities. The Foundation's environmental approach in compliance with the streamlined energy and carbon reporting is outlined further within the respective section of this report.

Engaging with Stakeholders

The Board recognises the importance of engaging with stakeholders and the value in understanding their views and interests to be successful over the long term. Stakeholder engagement is fundamental to the Board as it can help inform future development and trends, help the Board to understand significant changes in the landscape, and develop objectives, policies and strategy that is aligned to stakeholder interests. References to stakeholders are made throughout the strategic report.

Our Employees and Volunteers

The Executive Team provides employees and volunteers with a range of information through various channels of communication including the intranet, staff forums, regular email circulars and briefings through management cascade. An annual survey was carried out in June 2023, which resulted in actions led by the Foundation's Executive Team and wider leadership team.

The Board is assisted in fulfilling its governance duties in relation to employees and volunteers by various committees, and most predominantly via the People and Culture Committee which is aligned to overseeing the delivery of our new People Strategy.

Local Authorities

The Foundation's core income comes from fees paid by local authority commissioners and the Foundation works closely with these commissioners to build effective relationships and ensure it meets the needs of the people it supports.

Our Service Users

Our service users are the children, young people and adults, who are supported by the Foundation, and their families. Service user voice is extremely important to the Foundation and every day we listen and learn from the people we support. Feedback is encouraged on a regular basis from our service users, families and carers as appropriate. A variety of communication methods are adopted by the Foundation including face to face forums, surveys, social media blogs, newsletters, internet, resident meetings, student councils and much more.

Our services continuously review service user progress and support, and in doing so ensure services users, families and carers, as appropriate, have a voice in their lives. Trustees and governors meet service users during regular site visits. Our Board and committees regularly receive updates in relation to service users, and parent governors are appointed on our school local advisory committees.

Our Supporters

Building effective and lasting relationships with our supporters is vitally important to us. The Foundation engages with supporters on a regular basis in a variety of ways including face to face visits, telephone, virtual conversations and written communications.

A number of supporters participate in our celebratory events, providing our supporters with the opportunity to meet service users, employees, senior management and trustees. We thank all our supporters for their continued support and donations.

Suppliers, Customers, Landlords, Regulators and Others

Fundamental to the delivery of our services is the relationships we hold with a range of stakeholders not limited to suppliers, customers, landlords and regulators, and the Foundation recognises the importance of its supply chain in the delivery of its services. The Board encourages management to develop and maintain trusted and mutually beneficial business relationships with stakeholders, based on openness, transparency, and integrity. The Foundation aims to maintain positive relationships with suppliers, ensuring that non-disputed invoices are paid within the Foundation's agreed payment terms. The Foundation's purchasing policy has been developed to help the Foundation achieve best value in pursuance its overall aims and objectives.



Streamline Energy and Carbon Reporting

Under Statutory Instrument (SI 2018/1155) and the Environment Reporting Guidelines, the charity is now required to report on greenhouse gas emissions and energy consumption.

The charity's energy and fuel usage for the period is shown in the table below.

The charity continues to look for cost effective ways of reducing its carbon footprint and is committed to reduce carbon emissions.

We employ an energy agency to manage our gas and electricity supply.

We own/lease several vehicles which are included in the analysis below.

UK Greenhouse gas emissions and energy use data for the year ended 31 August 2023	2022	2023
Energy consumptions used to calculate emissions (kWh):		
Gas	5,163	4,986
Electricity	1,384	1,411
TOTAL	6,547	6,397
Scope 1 emissions in metric tonnes CO ₂ e gas consumption	1,204	1,162
Transport fuel	37	30
Total scope 1	1,241	1,192
Scope 2 emissions in metric tonnes CO ₂ e purchased electricity	323	329
Total scope 2	323	329
Scope 3 emissions in metric tonnes CO ₂ e business travel in employee owned vehicles	0	0
Total scope 3	0	0
Total gross emissions in metric tonnes CO ₂ e	1,564	1,521
Intensity ratio tonnes CO ₂ e per employee	1.63	1.51

Reference and Administrative Details

Trustees

D Arthur (until 7 February 2023)
 D L Kent (until 1 June 2024)
 A Woods (until 25 January 2023)
 P A Foreman
 W Snaith (until 7 June 2024)
 E G Weir
 C J Thompson
 J Donnelly
 P L Emerson (from 31 October 2022)
 N C Hutchinson (from 31 October 2022)
 L E Parker (from 9 February 2024)
 L Craig (from 26 April 2024)

Company Number:
01855026

Charity Number:
515943

Registered Office:
Hampeth Lodge, Station Road, Forest Hall
Newcastle upon Tyne, NE12 8YY

The Charity is incorporated in England and Wales.

Key Management Personnel:

Chief Executive Officer (until 13 June 2024)	Rob McDonald
Interim CEO and Chief Financial Officer	John Preston
Director of Corporate Services	Alison Williams
Director of Health and Wellbeing	Charlotte Jones
Director of Education and Percy Hedley School Headteacher	John Steward
Director of Business Development	Andrew McGreevy
Director of Finance (until 31 October 2022)	Tara Allen
Interim Finance Director (until 27 January 2023)	Chris Reilly
Principal of Hedleys College and Horizons	Joanne Rees Proud
Northern Counties School Headteacher	Martin Lonergan

Company Secretary:
L Dawson

Independent Auditors:
Azets
Bulman House, Regent Centre, Gosforth,
Newcastle upon Tyne, NE3 3LS

Bankers:
Barclays Bank Plc, 5 St Ann's Street,
Newcastle upon Tyne, NE1 3DX

Solicitors:
Womble Bond Dickinson (UK)
The Spark, Draymans Way, Helix,
Newcastle upon Tyne, NE4 5DE

Investment Managers:
Rathbones Investment Management
Earl Grey House, 75-85 Grey Street
Newcastle upon Tyne, NE1 6EF

RBC Brewin Dolphin, Time Central,
Gallowgate, Newcastle upon Tyne,
NE1 4SR

Financial Review 2022/2023

The Foundation has continued to operate in a challenging economic environment with high inflation impacting the cost base of the organisation. A new Executive Team has been appointed during the last 12 months which is focussed on addressing the key performance issues through a turnaround strategy. The impact on the overall financial performance from Northern Counties School operating under Ofsted's Special Measures throughout the whole accounting period was significant enough to result in the Foundation generating a reduced operating surplus for the period. Furthermore, the financial results were adversely impacted by operating an out-of-date residential care model which requires the implementation of a turnaround plan and additional investment from 2023/2024.

In the year to 31 August 2023, the Foundation made a surplus of £0.273m (2022 : £3.372m surplus) before actuarial gains and losses. Income increased by £1.938m on the previous year with expenditure, before gains/(losses) on investment assets, increasing by £5.262m. The underlying operational performance has been mixed, being impacted by high cost inflation, challenging staffing levels and regulatory challenges in Northern Counties School restricting capacity and income. The results in the period were positively affected by a one-off income of £1.758m following the managed exit of the local government pension scheme during the year.

The surplus of £0.273m (2022 : £3.372m surplus) represents a disappointing performance by the charity during the

financial year. In addition to the reasons noted above, the performance was also affected by insufficient fee uplifts awarded by the commissioners to cover these increased costs. The newly appointed Executive Team has implemented turnaround action plans to address these key performance concerns.

Northern Counties School was inspected by Ofsted in May 2022 after which it was rated inadequate and placed into Special Measures. This means that the service has had an embargo placed on it throughout the year so that no new education placements could be made until the regulator re-inspects the school and removes the special measures. During the year, Ofsted undertook 3 monitoring visits, with 2 additional visits since the end of the accounting period. During the year, a new permanent headteacher was appointed to the school and a new post of Director of Education was created as part of the new Executive Team, bringing greater focus on addressing the issues raised by Ofsted and implementing a specific turnaround plan for the school. A full re-inspection by Ofsted took place in February 2024 which rated the school as Good, allowing for new student placements to be made.

Following on from the prior year report regarding the delay in invoicing and the subsequent large trade debtor balance at the end of 2022, the financial controls in 2023 have created a regular invoicing pattern and cash flow. The value of gross trade debtors has reduced to £4.131m (2022 : £8.268m). This has allowed for some of the previous historic bad debt

provision to be released, reducing from 2022 : £2.774m to 2023 : £1.699m. The provision for doubtful debts at the 2023 year end remains high due to an excessive level of aged debt and remains a key focus for 2023/2024. As a result, despite the reduced operating surplus, the closing cash position at £9.224m increased over the prior year (2022 : £8.415m) after including investments in fixed assets totalling £2.298m in the year (2022 : £1.109m).

As the cost of living crisis continues to impact on central and local government budgets, pressures will be maintained on our services as local authorities look to manage tighter budgets and increase value for money. The production of an increased operating surplus and positive cash flow is important to the Foundation as it allows the investments in improving our services and facilities over subsequent years. Income from charitable activities increased by a modest 1.5% year on year at £33.4m. Most of the funding is received from 21 local authorities responsible for the education and care of the children, young people and adults that use the services we provide. These fees fund the day to day running costs of the services.

The Foundation has a fundraising and engagement team, responsible for supplementing this income to help improve facilities, the estate, enrich provision and support specific capital developments.

Pension Schemes

The Percy Hedley Pension Scheme provides benefits on a final salary or defined benefit basis. It is closed to new members, with members' salaries frozen as at 31 March 2019 but open to future accrual of benefits for its active members. The actuarial deficit has been revalued, in accordance with FRS 102, using up to date assumptions over discount rate, the rate of inflation and mortality assumptions. This revaluation has resulted in a decrease in the actuarial deficit by £0.285m from the previous year to £5.400m (2022 : £5.685m) which reflects the investment choices made by the pension trustees and market conditions. This positive movement has improved the operating surplus. The trustees of both the Foundation and the Percy Hedley Pension Scheme are acutely aware of the need to balance the interests of the members of the pension scheme with those of the current and future beneficiaries that the charity supports. The long term deficit recovery plan was reviewed in the year and an agreed increased contribution was made by the Foundation as sponsoring employer. No further adjustments to the recovery plan are required at this time. This was agreed with the Percy Hedley Pension Scheme trustees following a pension committee review which monitors the actions arising from the plan. The pension scheme is currently performing well against the targets.

The Tyne and Wear Pension Fund (LGPS) is a funded defined benefit scheme with the assets held in separate trustee administered funds. During the year, following external

advice being taken on potential pension scheme liabilities, the Foundation decided to minimise future risks and seek an exit from this scheme. The active members totalled 11 at the time and these were consulted with as the Foundation sought an exit of the scheme via a managed approach. Following conclusion of the consultation, all the active members agreed to new terms and conditions and the Foundation gave notice that it would exit the pension scheme as at 31 August 2023. The cessation value of the pension scheme was calculated by the scheme actuary which resulted in a surplus of £1.758m which has been refunded back to the Foundation. This has been reflected as other income in the Statement of Financial Activities with the funds being received in 2024.

The Foundation also contributes to a third defined benefit pension scheme, in relation to teaching staff, which is the Teachers' Pension Scheme (TPS). The latest valuation, of the TPS as at April 2020, published in October 2023, has reassessed the employer contribution rate, increasing from 22.8% to 28.6% and payable from 1 April 2024. The previous rate paid by employers was actually 23.6% as the implementation of the 2016 valuation was delayed to September 2019.

The Foundation has total funds of £22.368m (2022 : £21.882m). The increase of £0.486m relates to the additional income as a result of exiting the LGPS. The balance sheet highlights an increase in net book value of tangible fixed assets to £17.538m (2022 : £16.591m) due to the significant

increase in capital investments in the year totalling £2.298m (2022 : £1.109m), the majority of which related to development of the estates. Depreciation was, as a result, slightly higher than the prior year at £1.351m (increase of £0.138m). The value of restricted funds reduced to £76k (2022 : £745k). Restricted funds are those from funds raised from legacies and small donations along with fundraising carried out within a particular service and are used throughout the year to provide 'added extras' to enrich service provision. The Foundation holds £nil (2022 : £1.96m) of designated funds. Designated funds have historically been the amounts set aside by the trustees to be spent during the following year. In 2023/2024 these funds are incorporated as part of the budget approved by trustees and included in the unrestricted funds.

Investment Policy

The Foundation has a longer term strategy for investments with increasing investments from £2.45m (book value) to £3.25m. During the Financial Year 2022/2023 the net value of the investments increased very slightly from £2.915m to £2.955m after considering additions, disposal and revaluation. This strategy allows for mid-term reserves to be held on cash deposits until they are needed for specific projects and for an element of reserves to be held for the long term in the event of future unknown uncertainties. It is the intention that the charity will add to longer term deposits at a similar rate to which the Foundation itself grows. The trustees

appoint investment managers to whom they delegate responsibility for managing the investment assets in accordance with an agreed policy statement. This statement sets out the trustees' aim, to produce the best financial return within an acceptable level of risk and includes the manner in which these assets may be ethically invested to ensure that they do not conflict with the aims of the charity.

Going Concern

After making appropriate enquiries, including evaluating any impact with the continued and ongoing effects of the cost of living crisis, regulatory restrictions at Northern Counties School and reviewing forecasts into 2023/2024, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies on page 74.

Reserves Policy

The trustees consider that unrestricted and undesignated reserves should be kept between 13% and 16% of operating expenditure. This allows for the Foundation to react to unforeseen circumstances, whilst providing sufficient flexibility to operate on a day-to-day basis and take any appropriate decisions to further the Foundation's strategic development.

The lower end of this range is equivalent to two months' staff costs for the Foundation and the higher end reflects the Foundation's aim to build a fund that will enable the continued refurbishment of some of our old buildings into an estate which is 'fit for purpose, fit for future' for the children, young people and adults for whom they are designed.

During the last few years, reserves have been built in line with the policy. These are now reviewed as part of the corporate strategy in order to make targeted improvements to the estate and services provided, with options appraisals being reviewed during 2023/2024. Currently the Foundation's reserves are sufficient given the managed capital expenditure improvement programme ongoing. There are currently no designated funds set aside outside of the annual capital expenditure programme.



Trustee Responsibilities Statement

The Board of Trustees (who are also the directors for the purposes of company law) is responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

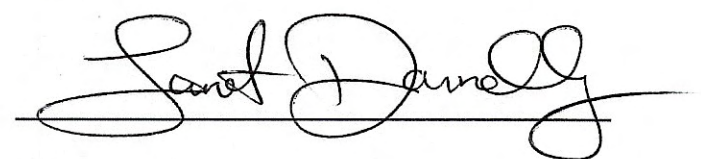
- Select suitable accounting policies and then apply them consistently
- Observe methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make reasonable and prudent judgements and accounting estimates
- State whether applicable UK accounting standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for maintaining adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Over the course of the year, Azets Audit Services continued in their role as external auditors in accordance with a General Meeting resolution agreed in June 2022 to appoint them for three financial years.

In so far as each of the trustees of the charity is aware, at the date of approval of this report, there is no relevant audit information needed by the charity's auditor in connection with preparing the audit report of which the charity's auditor is unaware. Each trustee has taken all of the necessary steps in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

By order of the Board of Trustees, the Annual Report (incorporating the Strategic Report) has been approved by the Board of Trustees and signed on its behalf by:



J Donnelly
Chair, Trustee

7/8/2024

The Percy Hedley Foundation

Independent Auditor's Report to the Members of The Percy Hedley Foundation

Opinion

We have audited the financial statements of The Percy Hedley Foundation (the 'charity') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 were 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.

The Percy Hedley Foundation

Independent Auditor's Report to the Members of The Percy Hedley Foundation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 66), 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 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.

Auditor responsibilities for the audit of the financial statements

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;

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Independent Auditor's Report to the Members of The Percy Hedley Foundation

- Review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness.

Because of the field in which the charity operates, we identified the following areas as those most likely to have a material impact on the financial statements: Care Quality Commission; Ofsted; Health and Safety; employment law; and compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available 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 charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 7. 8. 2024

Azets Audit Services is a trading name of Azets Audit Services Limited

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Statement of Financial Activities for the Year Ended 31 August 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £ 000	Restricted £ 000	Total 2023 £ 000	Total 2022 £ 000
Income and Endowments from:					
Donations and legacies	3	281	41	322	1,033
Charitable activities	4	33,395	-	33,395	32,885
Other trading activities	5	35	2	36	53
Investment income	6	301	-	301	70
Other income	7	1,925	-	1,925	-
Total Income		35,937	42	35,979	34,041
Expenditure on:					
Raising funds			-		(39)
Charitable activities	8	(35,496)	(146)	(35,642)	(30,341)
Total Expenditure		(35,496)	(146)	(35,642)	(30,380)
Gains/(losses) on investment assets		(64)	-	(64)	(288)
Net income/(expenditure)		377	(104)	273	3,372
Transfers between funds		565	(565)	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		213	-	213	4,629
Net movement in funds		1,155	(669)	486	8,001
Reconciliation of funds					
Total funds brought forward		21,137	745	21,882	13,881
Total funds carried forward	24	22,292	76	22,368	21,882

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 24.

The Percy Hedley Foundation

Comparative Statement of Financial Activities for the Year Ended 31 August 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)


	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2022 £ 000
Income and Endowments from:				
Donations and legacies	3	584	449	1,033
Charitable activities	4	32,885	-	32,885
Other trading activities	5	53	-	53
Investment income	6	70	-	70
Total income		<u>33,592</u>	<u>449</u>	<u>34,041</u>
Expenditure on:				
Raising funds		(39)	-	(39)
Charitable activities	8	<u>(30,065)</u>	<u>(277)</u>	<u>(30,342)</u>
Total expenditure		<u>(30,104)</u>	<u>(277)</u>	<u>(30,381)</u>
Gains/losses on investment assets		<u>(288)</u>	<u>-</u>	<u>(288)</u>
Net income		3,200	172	3,372
Transfers between funds		(212)	212	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>4,629</u>	<u>-</u>	<u>4,629</u>
Net movement in funds		7,617	384	8,001
Reconciliation of funds				
Total funds brought forward		<u>13,520</u>	<u>361</u>	<u>13,881</u>
Total funds carried forward	24	<u><u>21,137</u></u>	<u><u>745</u></u>	<u><u>21,882</u></u>

The Percy Hedley Foundation

(Registration number: 01855026)
Balance Sheet as at 31 August 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Tangible assets	15	17,538	16,591
Investments	16	<u>2,955</u>	<u>2,915</u>
		<u>20,493</u>	<u>19,506</u>
Current assets			
Debtors	17	4,660	6,083
Cash at bank and in hand	18	<u>9,223</u>	<u>8,415</u>
		13,883	14,498
Creditors: Amounts falling due within one year	19	<u>(4,861)</u>	<u>(4,618)</u>
Net current assets		<u>9,022</u>	<u>9,880</u>
Total assets less current liabilities		29,515	29,386
Creditors: Amounts falling due after more than one year	20	<u>(1,747)</u>	<u>(1,819)</u>
Net assets excluding pension liability		27,768	27,567
Pension scheme liability	22	<u>(5,400)</u>	<u>(5,685)</u>
Net assets including pension liability		<u>22,368</u>	<u>21,882</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	24	76	745
Unrestricted income funds			
Unrestricted funds		<u>22,292</u>	<u>21,137</u>
Total funds	24	<u>22,368</u>	<u>21,882</u>

The financial statements on pages 70 to 98 were approved by the trustees, and authorised for issue on ~~....7.8.2024.~~ and signed on their behalf by:



 J Donnelly
 Chair - Trustee

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Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £ 000	(As restated) 2022 £ 000
Cash flows from operating activities			
Net cash income		486	8,001
Adjustments to cash flows from non-cash items			
Depreciation		1,351	1,213
Investment income	6	(301)	(70)
Revaluation of investments		64	288
		<u>1,600</u>	<u>9,432</u>
Working capital adjustments			
Decrease/(increase) in debtors	17	1,423	(3,979)
(Decrease)/increase in creditors	19	(57)	3
Decrease (increase) in retirement benefit obligation net of actuarial changes	22	(213)	(4,629)
Increase in deferred income	20	322	385
Net cash flows from operating activities		<u>3,074</u>	<u>1,212</u>
Cash flows from investing activities			
Interest receivable and similar income	6	301	70
Purchase of tangible fixed assets	15	(2,298)	(1,109)
Purchase of investments	16	(390)	(298)
Sale of investments		287	339
Net cash flows from investing activities		<u>(2,100)</u>	<u>(998)</u>
Cash flows from financing activities			
Repayment of loans and borrowings	19	(165)	(118)
Net increase in cash and cash equivalents		809	96
Cash and cash equivalents at 1 September		<u>8,415</u>	<u>8,319</u>
Cash and cash equivalents at 31 August		<u><u>9,224</u></u>	<u><u>8,415</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

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Notes to the Financial Statements for the Year Ended 31 August 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Hampeth Lodge, Station Road, Forest Hall, Newcastle upon Tyne, NE12 8YY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Percy Hedley Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £000.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amount by which fixed assets are depreciated annually is material to the financial statements and consequently, the estimate of the useful lives of fixed assets and their residual value is considered to be a critical area of judgement. There has been no change in these estimates this year.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Gift aid

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

Other income

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income when performance conditions, which would otherwise prevent the recognition of income, are met. Where performance conditions are not met then the income is deferred, and recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £00.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings - freehold property	40-100 years
Land and buildings - leasehold property	100 years or length of lease if less
Land and buildings - refurbishments	10-15 years
Motor vehicles	3 years
Fixtures and fittings	3 years
Equipment - therapy, office and computer equipment	3 years

Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Hire purchase and finance leases

Pensions and other post retirement obligations

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Other retirement benefits to employees of the Charity are provided by the Teacher's Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) and the Percy Hedley Pension Scheme (PHPS). These are defined benefit schemes, which are funded, with the assets being held separately from the charity. The PHPS is closed to new members, being replaced with a defined contribution scheme.

Contributions to the TPS are charged to the income and expenditure account as the amount paid or payable in the year.

The contributions to all three schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method for the LGPS and PHPS and quinquennial valuations using a prospective benefit method for the TPS.

The assets of the PHPS and LGPS are measured using fair value. PHPS and LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised within the Statement of Financial Activities.

Previously the LGPS was accounted for under the exemption for multi-employer schemes and accounted for its contributions as if it were a defined contribution scheme. A prior year adjustment has been made to the 2020 and 2021 figures to remove this accounting treatment given that an actuary's report has been obtained.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

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Notes to the Financial Statements for the Year Ended 31 August 2023

3 Income from donations and legacies

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000	Total 2022 £ 000
Donations and legacies;				
Legacies	98	-	98	339
Grants, including capital grants;				
Grants and donations	<u>183</u>	<u>41</u>	<u>224</u>	<u>694</u>
Total for 2023	<u><u>281</u></u>	<u><u>41</u></u>	<u><u>322</u></u>	<u><u>1,033</u></u>

4 Income from charitable activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000	Total 2022 £ 000
Education and adult day services	25,423	-	25,423	24,236
Adult residential	7,972	-	7,972	8,554
Children's residential	<u>-</u>	<u>-</u>	<u>-</u>	<u>95</u>
Total for 2023	<u><u>33,395</u></u>	<u><u>-</u></u>	<u><u>33,395</u></u>	<u><u>32,885</u></u>

5 Income from other trading activities

	Unrestricted funds General £ 000	Restricted funds £ 000	Total funds £ 000	Total 2022 £ 000
Fundraising events	27	1	28	53
Miscellaneous	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>
Total for 2023	<u><u>35</u></u>	<u><u>1</u></u>	<u><u>36</u></u>	<u><u>53</u></u>

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Notes to the Financial Statements for the Year Ended 31 August 2023

6 Investment income

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000	Total 2022 £ 000
Interest receivable and similar income;				
Interest receivable on bank deposits	243	-	243	20
Dividend income	58	-	58	50
Total for 2023	301	-	301	70

7 Other income

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000	Total 2022 £ 000
LGPS Exit valuation refund	1,758	-	1,758	-
Insurance proceeds	70	-	70	-
External hires	97	-	97	-
Total for 2023	1,925	-	1,925	-

For further details on the LGPS Exit Valuation - see note 22.

8 Expenditure on charitable activities

	Activity undertaken directly £ 000	Activity support costs £ 000	2023 £ 000	2022 £ 000
Education and adult day services	22,456	4,310	26,766	22,271
Adult residential	7,439	1,437	8,876	7,692
Children's residential	-	-	-	378
Total for 2023	29,895	5,747	35,642	30,341

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Notes to the Financial Statements for the Year Ended 31 August 2023

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Education adult day services £ 000	Adult Residential £ 000	Total 2023 £ 000	Total 2022 £ 000
Staff costs	2,231	744	2,975	2,280
Professional costs	346	115	461	59
Other direct costs	131	44	175	67
Facilities cost	20	6	26	20
IT costs	411	137	548	134
Maintenance costs	20	9	29	14
Depreciation	1,013	336	1,349	152
Interest	124	41	165	39
Legal fees	14	5	19	-
Total for 2023	<u>4,310</u>	<u>1,437</u>	<u>5,747</u>	<u>2,765</u>

Governance costs

Included within support costs above are governance costs as follows:

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2023 £ 000	Total 2022 £ 000
Audit fees				
Audit of the financial statements	18	-	18	18
Legal fees	<u>93</u>	<u>-</u>	<u>93</u>	<u>33</u>
Total for 2023	<u>111</u>	<u>-</u>	<u>111</u>	<u>51</u>

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £ 000	2022 £ 000
Audit fees	18	18
Other non-audit services	8	8
Depreciation of fixed assets	1,351	1,212
Interest payable	165	39
	<u>1,542</u>	<u>1,277</u>

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2023 £ 000	2022 £ 000
Staff costs during the year were:		
Wages and salaries	24,285	21,534
Social security costs	1,810	1,592
Pension costs	1,830	1,670
	<u>27,925</u>	<u>24,796</u>

Included within wages and salaries costs is £2,057,788 (2022: £1,407,398) in relation to agency staff costs.

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

	2023 No	2022 No
Operational staff	764	822
Admin and support	136	131
Management	5	6
	<u>905</u>	<u>959</u>

During the year, the charity made redundancy and/or termination payments which totalled £115,387 (2022 - £120,334).

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	3	-
£70,001 - £80,000	2	4
£80,001 - £90,000	-	2
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the charity were £844,269 (2022 - £718,955).

13 Auditors' remuneration

	2023 £ 000	2022 £ 000
Audit of the financial statements	<u>18</u>	<u>18</u>
Other fees to auditors		
Audit of the pension scheme	<u>-</u>	<u>8</u>

14 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

15 Tangible fixed assets

	Land and buildings £ 000	Fixtures and fittings £ 000	Motor vehicles £ 000	Equipment £ 000	Total £ 000
Cost					
At 1 September 2022	23,342	1,505	398	2,414	27,659
Additions	<u>1,541</u>	<u>397</u>	<u>70</u>	<u>290</u>	<u>2,298</u>
At 31 August 2023	<u>24,883</u>	<u>1,902</u>	<u>468</u>	<u>2,704</u>	<u>29,957</u>
Depreciation					
At 1 September 2022	7,660	1,246	345	1,817	11,068
Charge for the year	<u>797</u>	<u>176</u>	<u>41</u>	<u>337</u>	<u>1,351</u>
At 31 August 2023	<u>8,457</u>	<u>1,422</u>	<u>386</u>	<u>2,154</u>	<u>12,419</u>
Net book value					
At 31 August 2023	<u>16,426</u>	<u>480</u>	<u>82</u>	<u>550</u>	<u>17,538</u>
At 31 August 2022	<u>15,682</u>	<u>259</u>	<u>53</u>	<u>597</u>	<u>16,591</u>

Included within land and buildings is £1,711,360 (2022: £1,734,575) in relation to freehold property.

16 Fixed asset investments

	2023 £ 000	2022 £ 000
Listed investments	<u>2,955</u>	<u>2,915</u>

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Notes to the Financial Statements for the Year Ended 31 August 2023

	Listed investments £ 000	Total £ 000
Cost or Valuation		
At 1 September 2022	2,916	2,916
Additions	390	390
Disposals	(287)	(287)
Revaluation	(64)	(64)
At 31 August 2023	<u>2,955</u>	<u>2,955</u>
Net book value		
At 31 August 2023	<u>2,955</u>	<u>2,955</u>
At 31 August 2022	<u>2,916</u>	<u>2,916</u>

The historical cost of the listed investments at 31 August 2023 was £2,825,619 (2022 - £2,767,133).

The Charity SORP requires disclosure of any individual investments of more than 5% of the total portfolio value. The charity holds no investments with a value of more than 5%.

17 Debtors

	2023 £ 000	2022 £ 000
Trade debtors	2,432	5,494
Prepayments and accrued income	445	571
Accrued income	1,758	-
Other debtors	25	18
	<u>4,660</u>	<u>6,083</u>

Trade debtors above includes a provision for bad debts of £1,698,852 (2021 - £2,774,000)

18 Cash and cash equivalents

	2023 £ 000	2022 £ 000
Cash and cash equivalents	<u>9,223</u>	<u>8,415</u>

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

19 Creditors: amounts falling due within one year

	2023 £ 000	2022 £ 000
Bank loans	173	266
Trade creditors	1,069	1,178
Other taxation and social security	430	370
Other creditors	246	282
Accruals	1,472	1,373
Deferred income	1,471	1,149
	<u>4,861</u>	<u>4,618</u>

	2023 £ 000	2022 £ 000
Deferred income at 1 September 2022	1,149	764
Resources deferred in the period	1,471	1,149
Amounts released from previous periods	<u>(1,149)</u>	<u>(764)</u>
Deferred income at year end	<u>1,471</u>	<u>1,149</u>

20 Creditors: amounts falling due after one year

	2023 £ 000	2022 £ 000
Bank loans	<u>1,747</u>	<u>1,819</u>

The Foundation has a single loan with Barclays Bank plc which was renegotiated in July 2022 and is secured by way of a legal charge over the property at Station Road Forest Hall Newcastle Upon Tyne, West Lane Killingworth Newcastle Upon Tyne, Great North Road Jesmond Newcastle Upon Tyne all in favour of Barclays Bank plc and a Debenture granted by The Percy Hedley Foundation in favour of Barclays Bank plc. The loan is due for repayment by July 2027 with interest charged at 5.01% per annum. The ratio of the loan to the value of assets secured is 13%.

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Notes to the Financial Statements for the Year Ended 31 August 2023

21 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £ 000	2022 £ 000
Other		
Within one year	47	41
Between one and five years	108	112
After five years	486	375
	<u>641</u>	<u>528</u>

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

22 Pension and other schemes

Pension Commitments

The charity's employees belong to three defined benefit pension schemes and two defined contribution scheme; AEGON and Peoples Pension.

The three defined benefit pension schemes are: The Teachers' Pension Scheme England and Wales ("TPS"); the Local Government Pension Scheme ("LGPS"); and the Percy Hedley Pension Scheme ("PHPS"). The PHPS was closed to new members in 2012.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers and lecturers. All teachers and lecturers are able to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and the employer make contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions, (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.

Scheme Changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling and subsequently referred the case to an Employment Tribunal to determine a remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million.
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £529,000 (2022 - £496,000).

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Defined benefit pension schemes

Percy Hedley Pension Scheme

The PHPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2023 was £567,000 (2022 - £259,000), of which employer's contributions totalled £503,000 (2022 - £185,000) and employees' contributions totalled £64,000 (2022 - £74,000).

The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

- Latest actuarial valuation: 31 March 2022
- Annuity rate of interest: 2.3%
- Discount rate: 4.05%
- Fair value of assets at date of last valuation: £27.6 million
- Present value of liabilities at date of the valuation: £35.1 million
- Life expectancy at age 65: men - 21.9 years, women - 24.3 years
- Life expectancy at age 65 for members currently aged 45: men - 23.2 years, women - 25.7 years

The date of the most recent comprehensive actuarial valuation was 31 March 2022. The group operates a defined benefit scheme in the UK. A full actuarial valuation of the Percy Hedley Pension Scheme was carried out as at 31 March 2022 and the results of this valuation have been updated to 31 August 2023 by a qualified independent actuary. As required by FRS 102 the defined benefit liabilities have been measured using the projected unit method. The scheme is closed to new entrants and further benefit accrual

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2023 £ 000	2022 £ 000
Fair value of scheme assets	18,732	21,789
Present value of defined benefit obligation	<u>(24,132)</u>	<u>(27,474)</u>
Defined benefit pension scheme deficit	<u><u>(5,400)</u></u>	<u><u>(5,685)</u></u>

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2023 £ 000
Present value at start of year	27,474
Current service cost	194
Interest cost	1,167
Actuarial gains and losses	(4,086)
Benefits paid	(910)
Contributions by scheme participants	64
Effect of curtailments	229
Present value at end of year	<u>24,132</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2023 £ 000
Fair value at start of year	21,789
Interest income	930
Actuarial gains and losses	(3,644)
Employer contributions	503
Contributions by scheme participants	64
Benefits paid	(910)
Fair value at end of year	<u>18,732</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2023 %	2022 %
Equities	1	1
Property	99	99
	<u>100</u>	<u>100</u>

Return on scheme assets

	2023 £ 000	2022 £ 000
Return on scheme assets	<u>(3,644)</u>	<u>(6,658)</u>

The pension scheme has not invested in any of the charity's own financial instruments or in properties or other assets used by the charity.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2023	2022
	%	%
Discount rate	5.10	4.30
Future salary increases	-	-
Inflation assumption (RPI)	3.55	4.00
Inflation assumption (CPI)	2.85	3.30

Post retirement mortality assumptions

	2023	2022
	Years	Years
Current UK pensioners at retirement age - male	21.00	22.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	25.00	26.00

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

Tyne & Wear Pension Fund

The Tyne & Wear Pension Fund is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds.

The charity is an approved employer of the Tyne & Wear Pension Fund.

The pension was in an asset position at the 2022 year end, and so the asset was not reported within the accounts.

The Percy Hedley Foundation gave notice to exit the scheme before the year end, which triggered a section 75 review and the calculation of an exit valuation. This was performed by AON and on the 16 May 2024, the charity received notice that the exit valuation would result in a repayment to the value of £1.758million. This is included in accrued income and other income within the accounts.

23 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £188,666 (2022 - £Nil).

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

24 Funds

	Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/(losses) £ 000	Balance at 31 August 2023 £ 000
Unrestricted funds						
<i>General</i>						
General fund	24,863	35,937	(35,568)	2,524	(64)	27,692
Pension fund	(5,685)	-	72	-	213	(5,400)
	<u>19,178</u>	<u>35,937</u>	<u>(35,496)</u>	<u>2,524</u>	<u>149</u>	<u>22,292</u>
<i>Designated</i>						
Maintenance Fund	353	-	-	(353)	-	-
Strategic Development Fund	95	-	-	(95)	-	-
Estate Developments	1,511	-	-	(1,511)	-	-
	<u>1,959</u>	<u>-</u>	<u>-</u>	<u>(1,959)</u>	<u>-</u>	<u>-</u>
Total unrestricted funds	<u>21,137</u>	<u>35,937</u>	<u>(35,496)</u>	<u>565</u>	<u>149</u>	<u>22,292</u>
Restricted funds						
Education	654	33	(142)	(505)	-	40
Adult Day Services	24	9	(2)	(25)	-	6
Central Services	35	-	-	(35)	-	-
Adult Residential	32	-	(2)	-	-	30
	<u>745</u>	<u>42</u>	<u>(146)</u>	<u>(565)</u>	<u>-</u>	<u>76</u>
Total restricted funds	<u>745</u>	<u>42</u>	<u>(146)</u>	<u>(565)</u>	<u>-</u>	<u>76</u>
Total funds	<u>21,882</u>	<u>35,979</u>	<u>(35,642)</u>	<u>-</u>	<u>149</u>	<u>22,368</u>

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

The specific purposes for which the funds are to be applied are as follows:

Designated funds

Designated Funds are those pots of money set aside by the Board of Trustees for use on specific projects during the year / subsequent years.

At the year end, no designations had been made by the trustees.

Restricted funds

Education

Percy Hedley School, Northern Counties School and Percy Hedley college receive income from the Education Skills Funding Agency (ESFA) towards the education of our children and young people including grants that are set aside specifically for new sports equipment and for building maintenance improvements.

We also receive donations from Fundraising and Legacies that are restricted to a specific site or specific purpose. EG: a large legacy donation was received in May 2022 for use at our Northern Counties site.

Adult Day Services

Donations from IMUSE and Heritage Funds for use at Hedley's Horizons.

Adult Residential

Various small donations for use in our Residential Services.

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

25 Analysis of net assets between funds

	General £ 000	Unrestricted Designated £ 000	Pension £ 000	Restricted £ 000	Total funds £ 000
Tangible fixed assets	17,538	-	-	-	17,538
Fixed asset investments	2,955	-	-	-	2,955
Net current assets/(liabilities)	8,946	-	-	76	9,022
Creditors over 1 year	(1,747)	-	-	-	(1,747)
Pension scheme liability	-	-	(5,400)	-	(5,400)
Total net assets	27,692	-	(5,400)	76	22,368

	General £ 000	Unrestricted Designated £ 000	Pension £ 000	Restricted £ 000	Total funds at 31 August 2022 £ 000
Tangible fixed assets	16,591	-	-	-	16,591
Fixed asset investments	2,915	-	-	-	2,915
Net current assets/(liabilities)	7,176	1,959	-	745	9,880
Creditors over 1 year	(1,819)	-	-	-	(1,819)
Pension scheme liability	-	-	(5,685)	-	(5,685)
Total net assets	24,863	1,959	(5,685)	745	21,882

26 Analysis of net funds

	At 1 September 2022 £ 000	Financing cash flows £ 000	At 31 August 2023 £ 000
Cash at bank and in hand	8,415	808	9,223
Debt due within one year	(266)	93	(173)
Debt due after more than one year	(1,819)	72	(1,747)
Net debt	6,330	973	7,303
	At 1 September 2021 £ 000	Financing cash flows £ 000	At 31 August 2022 £ 000
Cash at bank and in hand	8,319	96	8,415
Debt due within one year	(220)	(46)	(266)
Debt due after more than one year	(1,984)	165	(1,819)
Net debt	6,115	215	6,330

The Percy Hedley Foundation

Notes to the Financial Statements for the Year Ended 31 August 2023

27 Related party transactions

There were no related party transactions in the year.



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The Percy Hedley Foundation is registered in England and Wales, company number 01855026, charity number 515943.

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