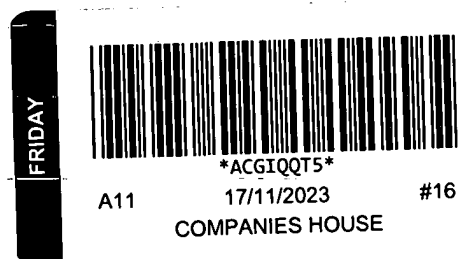


THE WPA FOUNDATION

(Formerly WPA Benevolent Foundation Limited)

Report & Accounts



**FOR THE YEAR ENDED
5 APRIL 2023**

THE WPA FOUNDATION

Report & Accounts

for the year ended 5 April 2023

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THE WPA FOUNDATION

Company Registration Number 3757440

Directors and Advisors

Directors The Rt. Hon. The Earl of Cromer – Chairman
P.C. Hall
M.C. Kramer
A.C.B. MacEwan
J.A. Wright (retired 30 June 2022)

Company Secretary and
registered office K.J. Bell (appointed 11 May 2023)
N.A. Royle (resigned 22 March 2023)
Rivergate House
Blackbrook Park Ave
Taunton
Somerset
TA1 2PE

Auditor PKF Francis Clark
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Bankers Barclays Bank Plc
15 Queen Square
Bristol
BS1 4NP

Investment Advisor St. James's Place Wealth Management
St. James's Place House
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP

THE WPA FOUNDATION

Chairman's Statement

for the year ended 5 April 2023

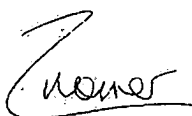
The WPA Foundation's focus to support schools purchasing healthy physical activity equipment. Based on the extent of our funding, 2022-23 has been our most successful year spending £346,388 compared with £309,904 in 2021-22.

With the economy and cost of living putting ever increasing pressure on supporting young people, demand is high. A significant driver of this success is the number of schools who have heard about our work and approached us directly, up from eight to thirty percent over the last twelve months.

Supplementing our focus on exercise, we are also supporting Unlocking Potential Somerset, the Somerset Cricket Foundation and Magic Breakfast.

The Unlocking Potential Somerset project is aimed at children who are at risk of not achieving their potential and the programme includes problem solving, communications, profiling and employer visits. Last year's impact is best demonstrated by the 'I feel confident in myself' before and after survey question which increased from 22% to 70%. The Somerset Cricket Foundation estimate that our contribution is supporting 1,700 children in 20 schools across the region. Magic Breakfast's objective is that no child goes to school hungry, underpinned by 2023 research published by the Department for Education which indicated that 66% of Head teachers have seen an increase in pupils arriving at school hungry. Our support will pay for more than 140,000 school breakfasts during the year.

With an overarching objective to preserve and promote good health amongst young people, the Board of the Foundation is actively considering the merits of moving towards a charitable company.



The Rt. Hon. The Earl of Cromer
4 October 2023

THE WPA FOUNDATION

Director's Report

for the year ended 5 April 2023

The WPA Foundation (the "Foundation") is a company limited by guarantee; it is domiciled, incorporated and registered in England under number 3757440. The Directors present their report and the audited financial statements for the year ended 5 April 2023.

Principal activities

The objects of the Foundation are to provide financial assistance, information, advice and educational resources to promote good health and provide assistance to those who are ill and other benevolent activities, as set out in the Chairman's statement. The Foundation is also the Corporate Trustee of the WPA Charitable Foundation, a charity focussed on providing assistance with travel costs to financially distressed families in the South West whose children are undergoing extensive medical treatment. By agreement with HM Revenue & Customs, the benevolent activities of the Foundation are regarded as exempt from corporation tax.

The Foundation is the owner of freehold property at Culmhead in Somerset, which is let out at a commercial rent. The Foundation's premises have been furnished and fitted out to a high standard with the aim of providing a regular source of income to assist the Foundation to meet its benevolent objectives. The premises are let on a medium-term lease to Western Provident Association Limited.

Review of business and future developments

The Directors recognise the requirement to grow the assets of the Foundation in order to produce a reliable source of income whilst remaining committed to fulfilling our objectives. The Directors are exploring becoming a Charitable Company in the next financial year, and, in preparation for this, our name has been changed to the WPA Foundation. Being a company limited by guarantee, the Company was permitted to remove 'Limited' from its name as the Articles of Association met the requisite conditions. It was agreed that the name change provided a clearer description for the Company. The Foundation committed to making benevolent grants in the year of £346,388 (2022: 309,904).

The Directors aim to ensure that the trading activities of the Foundation are profitable over the longer term and do not impinge upon the benevolent activities. The finance investment portfolio has declined in line with markets, resulting in a negative return of £60,120 in the year (2022: £153,112).

The Statement of Comprehensive Income for the year is set out on page 11.

THE WPA FOUNDATION

Director's Report

continued

Principal risks and uncertainties

The principal risk faced by the Foundation is the financial risk arising from the investments held by the Foundation. Investment assets are monitored to ensure that they meet the aims and objectives of the Board; data from investment managers is used to assist with this. Equity risk is managed through the careful selection of investment managers who have a sound track record and expertise in their chosen sector or geography. The financial assets are diversified to protect against adverse market movements in any one asset class or geographic location. Market risk arises from the valuation of the investment property and the rental income that can be derived therefrom. Credit risk is managed by monitoring the creditworthiness of the deposit holders. The investment property is currently leased to a related party, Western Provident Association Limited, on an arm's length basis. The Foundation has permitted the tenant to fit out the property to their bespoke needs and as such expects the lease to be renewed for the foreseeable future. The current lease runs to December 2029.

Dividends and transfers to reserves

The Memorandum of Association of the Foundation prohibits the distribution of reserves by way of dividend or in any other manner. The loss for the financial year has been transferred from retained earnings.

Organisational structure, Directors and Director's interest

The members of the Board at 5 April 2023 are the Directors of The WPA Foundation listed on page 1.

Employees

The Foundation does not have any employees; administration services are donated by Western Provident Association Limited.

Statement of Director's responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law, the Directors 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 Foundation and of the profit or loss of the Foundation for that period.

THE WPA FOUNDATION

Director's Report

continued

In preparing the financial statements, the Directors are required to select suitable accounting policies and apply them consistently and make reasonable and prudent judgements and accounting estimates. The Directors are also required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Foundation and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

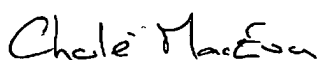
- 1) so far as each of them is aware, there is no information relevant to the audit of the Foundation's financial statements for the year ended 5 April 2023 of which the auditor is unaware; and
- 2) the Director has taken all steps that he/she ought to have taken in his/her duty as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Board



A.C.B. MacEwan
Corporate Communications Director
4 October 2023

THE WPA FOUNDATION

Independent Auditor's Report to the Members of The WPA Foundation

Opinion

We have audited the financial statements of The WPA Foundation (the "Company") for the year ended 5 April 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 5 April 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRSs; 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 Directors' 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 Company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

THE WPA FOUNDATION

Independent Auditor's Report to the Members of The WPA Foundation continued

Other information

The Directors 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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 by the Company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE WPA FOUNDATION

Independent Auditor's Report to the Members of The WPA Foundation

continued

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the Directors 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 Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the Company. We gained an understanding of the industry in which the Company operates as part of this assessment to identify the key laws and regulations affecting the Company. As part of this, we reviewed the Company's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were health and safety regulations, tax legislation, and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

THE WPA FOUNDATION

Independent Auditor's Report to the Members of The WPA Foundation continued

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Company's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Reviewing the Company's GDPR policy and enquiries of the Company's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewing legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

As part of our enquiries, we discussed with management whether there had been any instances of known or alleged fraud, of which management confirmed there were none.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based upon our understanding we designed and conducted audit procedures including:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

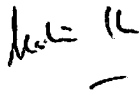
THE WPA FOUNDATION

Independent Auditor's Report to the Members of The WPA Foundation continued

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

Use of our report

This report is made solely to the Company's members, 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 Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Hobbs, (Senior Statutory Auditor)
PKF Francis Clark , Statutory Auditor

Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

4 October 2023

THE WPA FOUNDATION

Statement of Comprehensive Income for the year 5 April 2023

	Note	2023 £	2022 £
Revenue	1a, 1c, 2	62,568	62,600
Investment return	1e, 3, 7	–	153,112
Bank interest received	1e	1,102	33
Total income		63,670	215,745
Investment return	1b, 1e, 3, 7	(160,120)	–
Property expenses		(1,101)	(719)
Administrative expenses		(19,868)	(12,792)
Grants	1d	(346,388)	(309,904)
Total expenses		(527,477)	(323,415)
Loss before tax		(463,807)	(107,670)
Tax	6a	40,110	(81,249)
Loss after tax		(423,697)	(188,919)
Total comprehensive income		(423,697)	(188,919)

The results for the period have all arisen from continuing operations.

The notes on pages 14 to 23 form part of these financial statements.


THE WPA FOUNDATION

Statement of Financial Position

as at 5 April 2023

	Note	as at 5 April 2023 £	as at 5 April 2022 £
Assets			
Non current assets			
Investment property	1b, 7	775,000	875,000
Financial assets	1f, 8	1,466,124	1,846,210
		2,241,124	2,721,210
Current assets			
Trade and other receivables	1f, 9	29,130	8,052
Cash and cash equivalents	1f	281	24,613
		29,411	32,665
Total assets		2,270,535	2,753,875
Liabilities			
Equity			
Retained earnings		2,121,809	2,545,506
Current liabilities			
Trade and other payables	1f, 10	43,957	33,161
Deferred tax	6b	104,769	175,208
Total equity and liabilities		2,270,535	2,753,875

The financial statements on pages 11 to 23 were approved by the Board of Directors on 4 October 2023 and were signed on its behalf by:



A.C.B. MacEwan
Corporate Communications Director
4 October 2023

Company Registration Number 3757440

The notes on pages 14 to 23 form part of these financial statements.

THE WPA FOUNDATION

Statement of Changes in Equity

for the year ended 5 April 2023

	Retained Earnings & Total Equity
	£
At 6 April 2021	2,734,425
Total comprehensive income for the year	(188,919)
At 5 April 2022	2,545,506
At 5 April 2022	2,545,506
Total comprehensive income for the year	(423,697)
At 5 April 2023	2,121,809

The notes on pages 14 to 23 form part of these financial statements.

Statement of Cash Flows

for the year ended 5 April 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash used in operations	11	(293,217)	(116,183)
Tax paid		(23,525)	(42,843)
Net cash flows from operating activities		(316,742)	(159,026)
Cash flows from investing activities			
Cash placed on deposit		315,000	–
Investment income		(22,590)	(24,696)
Net cash flows from investing activities		292,410	(24,696)
Net decrease in cash and cash equivalents		(24,332)	(183,722)
Cash and cash equivalents at beginning of period		24,613	208,335
Cash and cash equivalents at end of period		281	24,613

THE WPA FOUNDATION

Notes to the Financial Statements

for the year ended 5 April 2023

1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC, as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union) and the Companies Act 2006 applicable to companies reporting under IFRS.

These financial statements have been presented on a going concern basis as the Directors believe the Foundation has sufficient resources available to pay its liabilities as they fall due for a period of at least twelve months from the date of issue.

a) Revenue

Revenue arising entirely in the United Kingdom, comprises donations received and lease payments for premises. Operating lease income is accounted for on a straight line basis and increases are recognised during the period to which they relate.

b) Investment property

Investment property is at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which it arises. In accordance with IAS40, no depreciation is charged on investment property when held at fair value.

c) Donations and gifts received

Cash donations and gifts are accounted for when received.

d) Grants

Grants are recognised when they have been approved for payment.

e) Interest receivable

Interest receivable is accounted for on an accruals basis.

f) Financial assets and liabilities

Assets in collective investment funds are held at bid price, with changes in their valuation taken straight to the Statement of Comprehensive Income.

Deposits with credit institutions represent instant access bank accounts that pay a variable rate of interest.

THE WPA FOUNDATION

Notes to the Financial Statements

continued

f) Financial assets and liabilities (continued)

Cash comprises operational cash held in bank accounts and cash in hand.

Cash and deposit balances are held at amortised cost. The Directors consider that at the balance sheet date the amortised cost was not materially different to the fair value of these instruments.

Trade and other payables/receivables are held at amortised cost less any allowance for impairment and are expected to be settled within twelve months.

g) New standards and interpretations

There are no new accounting standards implemented with effect from 6 April 2022, nor any amendments or interpretations to existing IFRS with a significant impact on the Foundation during the year.

h) Key sources of estimation uncertainty

The preparation of financial statements in conformity with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies.

In particular, the nature of the activities requires that judgement be applied as to whether grants payable at the period end are provided for in the accounts or disclosed as contingent liabilities as described in note 12.

The key judgement within the financial statements is the valuation of the investment property. The property is bespoke and leased to a related party on an arm's length basis. The Directors periodically use the services of an independent valuer to assess the property valuation. The carrying value of the investment property at the year end is £775,000 (2022: £875,000).

THE WPA FOUNDATION

Notes to the Financial Statements continued

2 Revenue	2023	2022
	£	£
Rental income	62,568	62,600
Donations and gifts	–	–
	62,568	62,600

3 Investment return	£	£
Dividend income	7,990	11,649
Interest received	19,567	15,900
Unrealised investment property gains	–	132,500
Realised gains on financial assets	2,325	28,548
Unrealised (losses)/gains on financial assets	(90,002)	(35,485)
	(60,120)	153,112

4 Directors' emoluments	£	£
Directors' fees	4,020	5,817

There were no employees and four Directors of the Foundation, as at 5 April 2023 (2022: no employees and five Directors).

5 Auditor remuneration	£	£
Audit of financial statements	4,766	4,356
Tax compliance	2,112	1,920
	6,878	6,276

THE WPA FOUNDATION

Notes to the Financial Statements

continued

6 Taxation on profit on ordinary activities	2023	2022
a) UK corporation tax	£	£
Current period	26,566	15,381
Previous period	3,763	–
	30,329	15,381
Deferred tax	(70,439)	65,868
	(40,110)	81,249

b) Deferred tax	£	£
At 6 April	175,208	109,430
Movement relating to financial assets	(45,439)	9,858
Movement relating to investment property	(25,000)	56,010
At 5 April	104,769	175,208

If the freehold property was sold at its current market value there would be a capital gain of £547,956 (2022: £647,956). There is a deferred tax liability of £136,989 (2022: deferred tax liability of £97,645) related to this capital gain.

c) Factors affecting tax charge for the year	£	£
Loss before tax	(463,807)	(107,670)
Notional charge at UK corporation tax rate of 19% (2022: 19%)	(88,124)	(20,457)
Tax effects of:		
Expenses not deductible	69,156	60,805
Revenue exempt from taxation	34,141	(26,070)
Indexation allowance on realised gains on investments	11,393	1,103
Unrealised capital movements	(70,439)	65,868
Adjustment to prior year tax	3,763	–
	(40,110)	81,249

The principal rate of UK corporation tax was 19% for the financial year 2023 (2022: 19%). During the March 2021 Budget the future rate was increased to 25% from 1 April 2023.

d) Factors that may affect future tax charges

There are no other factors that may affect future tax charges.

THE WPA FOUNDATION

Notes to the Financial Statements

continued

7 Investment property	2023	2022
	£	£
Freehold valuation at start of year	875,000	742,500
Revaluation	(100,000)	132,500
Freehold valuation at end of year	775,000	875,000

The property was valued as at 23 February 2023 on an open market basis by Frank Knight LLP, Chartered Surveyors and Valuers. This valuation was carried out in accordance with the Royal Institute of Chartered Surveyors appraisal and Valuation Manual. The historical cost of the investment property is £227,044 (2022: £227,044).

Included in revenue is twelve months rental income to 5 April 2023 relating to the investment property of £62,568 (2022: £62,600).

8 Financial assets	2023	2022
	£	£
Collective investment funds	1,465,604	1,845,691
Other financial investments	160	160
Deposits with credit institutions	360	359
	1,466,124	1,846,210

	Opening 6 April 2022	Additions	Disposals	Reinvested Income	Revaluation	Closing 5 April 2023
	£	£	£	£	£	£
Collective investment funds	1,845,691	544,275	(859,275)	22,590	(87,677)	1,465,604
Other financial investments	160	–	–	–	–	160
Deposits with credit institutions	359	–	–	1	–	360
	1,846,210	544,275	(859,275)	22,591	(87,677)	1,466,124

THE WPA FOUNDATION

Notes to the Financial Statements

continued

8 Financial Assets (continued)

Assets in collective investment funds represent assets placed with Hargreaves Lansdown and St. James's Place Wealth Management. These are considered level 2 in the fair value hierarchy. Deposits with credit institutions are held at amortised cost.

The Foundation holds 2,010 shares in Culmhead Business Park (Management Co.) Limited, which equates to 20.1% of the issued ordinary share capital of the company. This company manages the common services at Culmhead on behalf of the freeholders. The most recent accounts for the Culmhead Business Park (Management Co.) Limited, at 31 March 2023, disclosed a net profit for the period then ended of £nil (31 March 2022: £nil), and shareholders' funds of £1,000 (31 March 2022: £1,000). These are considered level 3 in the fair value hierarchy.

9 Trade and other receivables	2023	2022
	£	£
Other receivables	15,950	–
Prepayments and accrued income	13,180	8,052
	29,130	8,052

10 Trade and other payables	2023	2022
	£	£
Corporation tax	22,050	15,381
Accruals and deferred income	21,907	17,780
	43,957	33,161

11 Notes to the statement of cash flow	2023	2022
	£	£
Loss for the year before tax	(463,807)	(107,670)
Adjustments for:		
- Investment return retained with investment managers	87,676	122,339
- Revaluation of investment property	100,000	(132,500)
- (Increase)/decrease on trade and other receivables	(21,078)	4,094
- Increase/(decrease) on trade and other payables	3,992	(2,519)
- Investment manager fees paid from investment portfolio	–	73
Cash generated used in operations	(293,217)	(116,183)

THE WPA FOUNDATION

Notes to the Financial Statements

continued

12 Contingent liabilities

As at 5 April 2023 the Foundation had not committed to funding any future projects (2022: £13,800).

Although approved in principle, the future funding of all of these projects by the Foundation is dependent upon the projects continuing to meet the stated criteria, about which there can be no certainty.

13 Financial risk management

The Foundation continues to hold investments with St. James Place Wealth Management. The cash balance is held in Barclays Plc and shown within cash and cash equivalents.

Investment assets are monitored to ensure that they meet the aims and objectives of the Board; data from investment managers is used to assist with this.

Market Risk: The valuation of the investment property and the rental income that can be derived therefrom is a key risk to the Foundation.

Equity Risk: This is managed through the careful selection of investment managers who have a sound track record and expertise in their chosen sector or geography. The financial assets are diversified to protect against adverse market movements in any one segment or geographic location.

Credit Risk: Credit risk is defined to be the potential for loss that can occur as a result of impairment in the creditworthiness of an issuer or counterparty or a default by an issuer or counterparty on its contractual obligations. Deposits with credit institutions are held on the Foundation's behalf by Barclays Plc and Hargreaves Lansdown.

Liquidity Risk: Deposits with credit institutions and collective investment funds are readily realisable and therefore the financial assets are deemed to be highly liquid in nature; consequently liquidity risk is not regarded as a significant issue.

Interest Rate Risk: Whilst all the investments in the portfolio are susceptible to movements in interest rates, to a greater or lesser extent, the most directly affected are the collective investment funds that are invested in bonds. As at 5 April 2023 these represented £829k of the portfolio (2022: £617k). Interest rate risk is managed through the careful selection of investment managers.

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13 Financial risk management (continued)

The geographical exposure of the financial assets of the portfolio at 5 April was:

Geographical exposure	Number of funds	2023 £	Number of funds	2022 £
UK	4	560,272	4	529,109
Global	10	905,332	9	1,316,582
		1,465,604		1,845,691

The financial assets held at 5 April, analysed by their fair value hierarchy levels were:

	2023 £	2022 £
Level 2		
Collective investment funds	1,465,604	1,845,691
Level 3		
Other financial investments	160	160
At amortised cost		
Deposits with credit institutions	360	359
	1,466,124	1,846,210

Fair Value Hierarchy:

Level 1: Valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2: Values are provided by the investment managers using techniques based significantly on observed market data, including net asset values.

Level 3: Valued using techniques incorporating information other than observable market data.

The underlying investments in equities, the majority of which are listed on recognised exchanges, are directly exposed to price risk, although this risk is mitigated to some extent by holding a diversified portfolio of funds.

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13 Financial risk management (continued)

If all equity values were to fall by 5% this would reduce asset values by £17,576 (2022: £30,859).

Cash and cash equivalents and trade and other receivables are held at amortised cost. Their fair value is considered equal to the amortised cost. Amounts are considered for impairment and no allowance is considered necessary (2022: nil).

14 Related parties

The Foundation is the governing trustee of the WPA Charitable Foundation. The Foundation made £nil of donations to the WPA Charitable Foundation during the year (2022: £50,000).

The Foundation leases its investment property on an arm's length basis to Western Provident Association Limited and received rental and service charge income of £62,568 for the year (2022: £62,600). There is outstanding rent of £15,650 (2021: £nil) owing to the Foundation at the period end. The lease is for a period of fifteen years expiring on 11 December 2029.

At the year end the future minimum lease payments under non-cancellable leases were:

	2023 £	2022 £
Lease payments receivable due within one year	62,600	62,600
Lease payments receivable after more than one year but less than 5 years	250,400	250,400
Lease payments receivable after more than 5 years	105,266	167,866
	418,266	480,866

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14 Related parties (continued)

Mr Hall, who is a director of the Foundation, is also a director of Culmhead Business Park (Management Co.) Limited and held, at 31 March 2023, 1,031 shares in that company (10.31%) (2022: 1,031). The Foundation held, at 5 April 2023, 2,010 shares in Culmhead Business Park (Management Co.) Limited (20.1%) (2022: 2,010). During the period service charges amounting to £nil (2022: nil) were paid to Culmhead Business Park (Management Co.) Limited. There were no balances outstanding at the end of the period (2022: no balances outstanding).

Administration and management services have been donated by Western Provident Association Limited. The value of these services has been estimated at £34,266 (2022: £4,574).

15 Company limited by guarantee

The Foundation is limited by guarantee, having no share capital. There is consequently no controlling shareholder. In the event of the Foundation being wound up the liability of each member is limited to £10.

The WPA Foundation

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