

**THE FOYLE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

THE FOYLE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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THE FOYLE FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Michael Smith
Sir Peter Duffell
Roy Amlot, KC
James Korner
Dame Vikki Heywood DBE
Jane Ellison

Chief executive and company secretary

David Hall

Address and registered office

Rugby Chambers
2 Rugby Street
London
WC1N 3QU

Registered company number

4006216 (England and Wales)

Registered charity number

1081766

Accountants

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Independent auditor

Mazars LLP
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment managers

Rathbone Investment Management Limited
George House, 50 George Square
Glasgow
G2 1EH

Veritas Asset Management LLP
90 Long Acre
London
WC2E 9RA

Stewart Emerging Markets Fund – Stewart Investors
23 St Andrews Square
Edinburgh
EH2 1BB

Artemis Investment Management LLP
Cassini House
57 St James's Street
London
SW1A 1LD

M1 Somerset Capital Management
Springfield Lodge
Colchester Road
Chelmsford
Essex
SM2 5PW

TB Evenlode Fund
C/O Bailey Fund Services Limited
64 St James's Street
Nottingham
NG1 6PS

Magellan Global Fund
MLC Centre Level 6
19 Martin Place
Sydney NSW 2000
Australia

JP Morgan Private Bank
1 Knightsbridge
London SW1X 7LX

Montanaro UK Income Fund - Montanaro
53 Threadneedle Street
London, EC2E 8AR

BMO Global Equities Fund - BMO
PO Box 9040
Chelmsford, Essex
CM99 2XH

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment portfolio advisers

Stanhope Consulting
35 Portman Square
London
W1H 6LR

Property managers

George Eckert
66A High Street
East Finchley
London

Jones Norris Adams Ltd
40 Lady Somerset Road
London
NW5 1TU

Legal advisers

Withers LLP
20 Old Bailey
London
EC4M 7AN

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their Report and Financial Statements of the Foundation for the year ended 31 December 2022 and confirm that they comply with current statutory requirements and the requirements of the Foundation's governing documents.

History and Legal Status

The Foundation was formed to implement the charitable provisions of the will of the late Mrs C A L Batty who died on 8 June 1999. The Foundation is a charity constituted as a company limited by guarantee and its governing documents are its Memorandum and Articles of Association. The Foundation's full name, address, company and charity numbers and addresses of its auditor, bankers, legal advisers, investment and property managers are shown on pages 1 to 3.

Governance and Management

The Board of Trustees during the year under review and up to the date of this report were:

Michael Smith
Sir Peter Duffell
Roy Amlot KC
James Korner
Dame Vikki Heywood DBE
Jane Ellison (appointed 21 April 2022)

New trustees are appointed by the Board, based upon the skills and experience required to manage the Foundation. An Induction Pack for new trustees has been devised by the Chairman and Chief Executive of the Foundation. New trustees receive this Induction Pack and then attend a briefing meeting with the Chief Executive before attending their first Board meeting. Ongoing training for trustees is arranged on an ad-hoc basis as a need is identified.

The Foundation operates independently of any other charity or organisation and is managed from premises in Rugby Street, London, WC1. The Trustees are directly responsible for the management of the Foundation and meet six to seven times per year to approve grants, review policy, supervise investment performance and other matters. An annual strategic review also takes place. The Foundation's day-to-day business is conducted by the Chief Executive under the supervision of the Chairman. A core staff team of five assist the Chief Executive in the administration of the Foundation. Applications are scrutinised by the Chief Executive and the staff team, which reports and makes recommendations to the Trustees for their approval.

Setting Pay

The Board of Trustees reviews the salary of the CEO annually. The Chairman informs the CEO of the Board decision regarding remuneration. All staff salaries are also reviewed annually with changes recommended by the CEO. The Board discuss these recommendations and make decisions which the CEO communicates to the individual staff members. As part of its performance review, the Board considers awarding annual staff bonuses on a discretionary basis.

Grant Making Objectives and Activities

The Foundation's objects are the promotion of such charitable purposes as the Trustees may determine from time to time, in accordance with the laws of England and Wales. There are no specific restrictions imposed on the Trustees as to how they may implement the objectives of the Foundation.

The Trustees' policy for the year ended 31 December 2022 was to support charities registered in the United Kingdom. State-funded secondary and primary schools are eligible but applications from individuals and unregistered organisations will generally not be supported.

It is aimed to process all applications within four months of being received, with the exception of large capital applications which may take longer as these are only reviewed by Trustees at an Autumn and Spring meeting each year.

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Grant Making Objectives and Activities (continued)

The Foundation's grant-making policy is as follows:

The Main Grants Scheme supports charities operating in the Arts and Learning sectors which meet the criteria as described in the Guidelines for Applicants. Grants awarded range from £10,000 to a maximum of £500,000, with the majority of grants awarded being below £50,000. Occasionally, capital projects of national or regional importance may receive a higher grant after discussion with the Foundation.

Within the Learning remit, The Foyle School Libraries Programme is a major initiative designed to support primary Schools, in the main, to improve reading ability and literacy. Grants awarded are between £2,000 and £10,000 per School. In addition, the Foundation operates a Small Grants Scheme which awards core and project funding to small and local charities.

Public Benefit

The Foundation exists and operates for public benefit. Its grant making programme benefits UK registered charities enabling them to carry out their work for public benefit. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The open grants programme is designed to be responsive to the direct needs of charities and their beneficiaries and to help make a difference to their work. The Foundation takes pride in funding activities which experience difficulty in attracting support or where there are few other sources of funding. Generally, in carrying out the work of the Foundation, the Trustees have paid regard to the guidance on public benefit published by the Charity Commission.

Arts – Main Grants Scheme

The Foundation seeks applications that make a strong case for support in either the performing or visual arts. Its aims are to sustain and help make the arts more accessible by developing new audiences, projects for young people, supporting tours, festivals and arts educational projects, to encourage new work and support young emerging artists. Building and infrastructure projects to modernise, re-equip and improve environmental efficiency of existing venues are also considered. However, community arts activity is generally supported through the Small Grants Scheme.

Learning – Main Grants Scheme

The Foundation's main areas for support are: libraries, museums, archives, universities and special educational needs. State funded Schools and Special Schools are supported, principally but not exclusively, through the Foyle School Libraries Programme which is a major programme to promote improved literacy. Citizenship, esteem building, training, skills acquisition to aid employment, early learning projects or playgroups are not generally considered.

Small Grants Scheme

This supports smaller charities in the UK, especially those working at local community level in any field, across a wide range of activities. Grants of up to £10,000 are awarded to charities with an annual turnover of less than £150,000 per annum which can demonstrate that a small grant will make a difference to their work.

Achievements and Performance

Within the Main Grants Scheme 377 new grant applications were received during the year. In addition, there were 310 School Library applications and 440 Small Grants Scheme applications. 191 applications were brought forward from the previous year and 230 applications were carried forward at the end of the year to be presented at the next Board meeting in 2023.

The Trustees met 5 times during the year to consider grant applications. The Trustees approved 187 new Main Grants, 155 school library and 204 Small Grants totalling £10,620,850 in value, some of which will be paid out in subsequent financial years. A total of 606 grant payments was made which amounted to £9,149,300. Of the grants paid out 135 were Arts related totalling £4,393,500. There were 62 Learning related totalling £2,622,750 and 180 School Library grants

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and Performance (continued)

totalling £1,007,600 and 229 were Small Grants totalling £1,125,450. Details of all grants paid out are listed on the Foundation's website. The Foundation has made financial commitments to support a number of organisations in the future subject to specific terms and conditions being met (see note 19).

The Foundation encourages applications from outside London and the Southeast and consequently the number of grant applications from the English regions, Scotland, Wales and Northern Ireland continued to increase and the amount in grants to these areas have also increased.

Financial Review

During the year the Foundation generated total income from investments and properties £1,336,532 compared to £1,545,626 in 2021. Total expenditure was £11,711,128 (2021 - £9,112,367) and 96% (2021 - 95%) was spent directly on charitable activities.

Investment income decreased to £1,249,985 compared to £1,478,211 in 2021.

The net movement on funds of the Charity after losses on investments was a decrease of £14,085,632 (2021: decrease of £5,190,964) with the result that the Charity's funds at 31 December 2022 amounted to £44,951,149 (2021: £59,036,781).

This was largely the result of planned expenditure being in excess of income and also grants accruals.

Investment Policy and Performance

The assets of the Foundation comprise a warehouse property, quoted investments and cash, all of which are professionally managed by specialist advisers on behalf of the Trustees, who also receive investment and asset allocation advice from Stanhope Consulting. No fund-raising activities have been undertaken, nor are any anticipated. Overall quoted investments decreased in the year from £50,065,692 to £39,750,227.

In the first three quarters of 2022 stock market assets were down by between 8 to 10%. Therefore, some losses were realised when raising cash from investment sales to finance the forward 2023 cashflow requirement as planned expenditure will be in excess of income given the increased grant-making of the Foundation.

Reserves Policy

The assets that make up the Foundation's funds are unrestricted and accordingly they are also available as the general reserves. In addition to careful planning of the cash flow, so as to meet both grant commitments payable in the year and the administration expenditure the Foundation maintain a replenishing cash reserve of up to £10m to cover anticipated grant commitments over a 12-month rolling period. As at 31 December 2022 the charity had financial commitments in relation to grants totalling £65,000 to be paid in 2023 and £65,000 to be paid in 2024.

Risk Assessment

The Trustees have considered the risks faced by the Foundation and have put in place monitoring systems to manage them. In addition, the Chief Executive undertakes an annual in-depth risk assessment exercise for consideration of the Trustees following which the Foundation amends its systems as necessary.

The Foundation maintains insurance policies to cover the principal risks considered are:

- Security
- Employment issues
- IT and Disaster recovery
- Grants Management
- Financial Risk
- Budgetary Control
- Fraud

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the Future

The Foundation's objectives are to support charitable activities across the UK. In furtherance of its objects the Foundation intends to increase its grants budget to £10.88m in 2023 from £10.36m in 2022. The Foundation plans to sell its remaining property investment in 2023 and will sell down more of its assets to finance its grants expenditure in 2023.

Impact of Russian Invasion of Ukraine

Following the Russian invasion of Ukraine, equity and other markets fell and energy and commodity prices rose. The Foundation reviewed its investment portfolio and exited from two funds that contained Russian investments. Equity markets partially recovered in the following months. Cashflow was not impacted by the market falls as the foundation had raised all income the previous autumn needed to finance 2022 expenditure into 2023. Spending plans and budget were unaffected. The continuing high prices of energy has caused inflation to rise, and this inflationary spike will be taken into account in the 2023 budget.

Cash reserves were healthy and sufficient, and it was not considered necessary to revise the annual grants budget for the year.

Statement of Trustees' Responsibilities

Charity law requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its income and expenditure for the financial year. In preparing those Financial Statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the principles and methods of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which 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.

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Disclosure to Auditor

- a) So far as the Trustees are aware, there is no relevant audit information of which the Foundation's auditors are unaware, and
- b) The Trustees have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

In preparing this report, the trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD



Michael Smith - Chairman of the Board
Dated: 18 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOYLE FOUNDATION

Opinion

We have audited the financial statements of The Foyle Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE FOYLE FOUNDATION (continued)**

Opinions 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 Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper 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 the Trustees' Responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) 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'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 the financial statements.

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

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE FOYLE FOUNDATION (continued)**

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE FOYLE FOUNDATION (continued)**

Use of the audit report

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

Signed:



Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 26 September 2023

THE FOYLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£	2022	£	£	2021	£
Income and endowments from:							
Investments:							
Investments and interest	2		1,249,985			1,478,211	
Property portfolio			86,547			67,415	
Total			<u>1,336,532</u>			<u>1,545,626</u>	
Expenditure on:							
Raising funds:							
Investment management costs		495,128			465,692		
			(495,128)			(465,692)	
Charitable activities	3		<u>(11,216,000)</u>			<u>(8,646,675)</u>	
Total			<u>(11,711,128)</u>			<u>(9,112,367)</u>	
Net gains/(losses) on investments							
Realised (losses)/gains	11	(1,964,958)			208,756		
Unrealised (losses)/gains on quoted investments	11	(2,441,078)			2,087,021		
Unrealised gain on investment property	10	695,000			80,000		
			<u>(3,711,036)</u>			<u>2,375,777</u>	
NET MOVEMENT IN FUNDS IN YEAR			<u>(14,085,632)</u>			<u>(5,190,964)</u>	
Reconciliation of funds:							
Funds brought forward			59,036,781			64,227,745	
FUNDS CARRIED FORWARD	16		<u><u>44,951,149</u></u>			<u><u>59,036,781</u></u>	

The notes on pages 15 to 25 form an integral part of these accounts.

BALANCE SHEET

AT 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		44,447		43,135
Investments					
Investment property	10		1,595,000		900,000
Quoted investments	11		39,750,227		50,065,692
			<u>41,389,674</u>		<u>51,008,827</u>
Current assets					
Debtors	13	356,336		393,982	
Cash at bank and in hand	14	6,932,105		9,868,206	
			<u>7,288,441</u>	<u>10,262,188</u>	
Creditors: Amounts falling due within one year	15	<u>(3,726,966)</u>		<u>(2,234,234)</u>	
Net current assets			<u>3,561,475</u>		<u>8,027,954</u>
Net assets			<u>44,951,149</u>		<u>59,036,781</u>
Unrestricted funds					
General fund	16		39,896,755		39,731,652
Revaluation reserve	16		5,054,394		19,305,129
Total funds			<u>44,951,149</u>		<u>59,036,781</u>

These financial statements have been prepared in the accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved and authorised for issue by the Board on 18 September 2023.



.....
Michael Smith - Trustee



.....
James Korner - Trustee

The notes on pages 15 to 25 form an integral part of these accounts

THE FOYLE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	
Cash flows from operating activities:		
Net cash used in operating activities (note 17)	(9,598,317)	(9,966,756)
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,249,985	1,478,211
Purchase of fixed assets	(3,810)	(1,259)
Purchase of investments	(12,302,207)	(7,172,420)
Proceeds from sale of investments – quoted	17,718,248	20,250,941
Total	<u>6,662,216</u>	<u>14,555,473</u>
Change in cash equivalents in the year	(2,936,101)	4,588,717
Cash and cash equivalents		
At the beginning of the year	<u>9,868,206</u>	<u>5,279,489</u>
At the end of the year (see note 14)	<u><u>6,932,105</u></u>	<u><u>9,868,206</u></u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

a. Basis of Accounting

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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foyle 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 note(s).

b. Company status

The charity is a company limited by guarantee. For the year under review, the members of the company were Michael Smith, Sir Peter Duffell, Roy Amlot, James Korner, Vikki Heywood and Jane Ellison. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member.

c. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets. Investment income was lower during 2022, however the charity has significant unrestricted reserves and will be able to meet all liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

d. Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation.

Expenditure on tangible assets of an enduring nature in excess of £1,000 is capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	-	over two years
Office furniture and equipment	-	25% on reducing balance
Computer equipment	-	25% on reducing balance

e. Investment properties

Investment properties are included at market value as disclosed under Note 10. The properties are valued annually. The SOFA includes the net gains and losses arising on revaluations and disposals in the year.

f. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

g. Funds

The different funds are defined as follows:

Unrestricted funds are those funds available to the charity for its general purposes.

It is the policy of the trustees to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short term effects of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

h. Income recognition

This comprises investment and other income. 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 income can be measured reliably.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

i. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly of the provision of grants given for the purposes of arts, education and as part of the small grants scheme. Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside the control of the recipient.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

j. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k. Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchase date if later).

l. Pension Scheme

Pension payments are made to a Company Pension scheme with The Peoples Pension with the exception of the CEO where a payment is made directly to his personal pension plan .

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

m. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n. Debtors

Other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o. Significant judgments and sources estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

p. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. INVESTMENT INCOME AND INTEREST

	2022 £	2021 £
Income from quoted investments	1,236,504	1,478,012
Interest received	13,481	199
	<hr/>	<hr/>
Property portfolio income	1,249,985	1,478,211
	86,547	67,415
	<hr/>	<hr/>
	<u>1,336,532</u>	<u>1,545,626</u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

3. ANALYSIS OF CHARITABLE EXPENDITURE	2022	2021			
	£	£			
Charitable donations:					
Paid in the year	9,154,300	9,403,900			
Grants returned in the year	(5,000)	(3,000)			
Accruals brought forward	(2,136,950)	(3,431,900)			
Accruals carried forward	3,648,500	2,136,950			
	<u>10,660,850</u>	<u>8,105,950</u>			
Support costs (note 4)	514,552	487,031			
Governance costs (note 5)	40,598	53,694			
	<u>11,216,000</u>	<u>8,646,675</u>			
Charitable expenditure – analysed as follows:					
	Grants	Support	Governance	2022	2021
	£	Costs	Costs	Total	Total
		£	£	£	£
Arts	5,372,250	259,294	20,459	5,652,003	3,750,277
Learning	4,237,350	204,519	16,136	4,458,005	3,646,218
Small grants	1,051,250	50,739	4,003	1,105,992	1,250,180
	<u>10,660,850</u>	<u>514,552</u>	<u>40,598</u>	<u>11,216,000</u>	<u>8,646,675</u>
	<u><u>10,660,850</u></u>	<u><u>514,552</u></u>	<u><u>40,598</u></u>	<u><u>11,216,000</u></u>	<u><u>8,646,675</u></u>
4. SUPPORT COSTS	2022	2021			
	£	£			
Staff costs (including pension)	411,269	385,403			
Rent	36,000	36,000			
Rates, service charges and insurance	20,895	26,298			
Communication costs	2,363	878			
Equipment maintenance and computer support	31,384	31,519			
Office services	9,249	4,586			
Miscellaneous	-	37			
Bank charges	894	247			
Depreciation	2,498	2,063			
	<u>514,552</u>	<u>487,031</u>			
	<u><u>514,552</u></u>	<u><u>487,031</u></u>			
5. GOVERNANCE COSTS	2022	2021			
	£	£			
Trustees' expenses	3,879	3,128			
Accountancy fees	11,758	12,540			
Auditor's remuneration	19,861	20,476			
Legal and professional fees	5,100	17,550			
	<u>40,598</u>	<u>53,694</u>			
	<u><u>40,598</u></u>	<u><u>53,694</u></u>			

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

6. NET EXPENDITURE	2022	2021
	£	£
Net expenditure is stated after charging:		
Trustees' expenses	3,879	3,128
Depreciation	2,498	2,063
Auditor's remuneration	19,861	20,476
Operating lease rentals-other operating leases	36,000	36,000
	<u> </u>	<u> </u>

7. TRUSTEES' REMUNERATION AND EXPENSES

The six Trustees received no remuneration during the year (nor in the previous period) but were reimbursed £3,879 for travel and out of pocket expenses (2021: £3,128).

8. STAFF WAGES	2022	2021
	£	£
Wages	346,955	329,045
Social security costs	41,956	37,725
Pension costs	27,358	22,633
Employment allowance	(5,000)	(4,000)
	<u> </u>	<u> </u>
	<u>411,269</u>	<u>385,403</u>

	Number	Number
--	---------------	---------------

Average number of employees was 7 and equivalent to 4.6 on a full-time basis (2021: 4.8 on a full time basis):

Administration	<u>7</u>	<u>7</u>
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The number of employees whose emoluments exceeded £60,000 for the year were:

£70,001 - £80,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u> </u>	<u> </u>

Salaries and benefits paid to key management personnel was £226,460 (2021: £208,533).

The pension contribution to the highest paid employee was £12,500 (2021: £10,000).

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2022	89,092	86,160	58,496	233,748
Additions	-	-	3,810	3,810
At 31 December 2022	<u>89,092</u>	<u>86,160</u>	<u>62,306</u>	<u>237,558</u>
Depreciation				
At 1 January 2022	89,092	47,490	54,031	190,613
Charge for the year	-	430	2,068	2,498
At 31 December 2022	<u>89,092</u>	<u>47,920</u>	<u>56,099</u>	<u>193,111</u>
Net Book Value				
At 31 December 2022	<u>-</u>	<u>38,240</u>	<u>6,207</u>	<u>44,447</u>
At 31 December 2021	<u>-</u>	<u>38,670</u>	<u>4,465</u>	<u>43,135</u>

Included in office furniture and equipment are paintings, prints, photographs and lithographs at a cost of £36,948 which have not been depreciated as the Trustees are of the opinion that they will maintain their value.

10. INVESTMENT PROPERTIES

	2022 £	2021 £
Investment value brought forward	900,000	820,000
Revaluation gain	695,000	80,000
Investment value carried forward	<u>1,595,000</u>	<u>900,000</u>

The remaining commercial property was revalued to its open market value at 31 December 2022 by Jones Norris Adams Chartered Surveyors and was valued at £1,595,000.

The historic cost of the remaining property was deemed to be the probate value at 8 June 1999, the date of the death of Mrs C A L Batty, was £395,000.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

11. QUOTED INVESTMENTS	2022	2021
	£	£
Market value at 1 January 2022	50,065,692	61,250,608
Additions at cost	12,302,207	7,172,420
Disposal proceeds	(17,718,248)	(20,250,941)
Realised (losses) / gains on sales	(1,964,958)	208,756
Investment managers' fees	(493,388)	(402,172)
Unrealised (losses) / gains on revaluation	(2,441,078)	2,087,021
	<u>39,750,227</u>	<u>50,065,692</u>
Market value at 31 December 2022	<u>39,750,227</u>	<u>50,065,692</u>
Cost at 31 December 2022	<u>35,895,833</u>	<u>31,265,563</u>
Analysis of investments by type:		
Investments inside the UK		
Listed unit trusts	32,816,923	31,200,811
Quoted shares	4,690,248	10,926,987
	<u>37,507,171</u>	<u>42,127,798</u>
Investments outside the UK (managed by overseas Fund Managers)	2,243,056	7,937,894
	<u>39,750,227</u>	<u>50,065,692</u>
12. FINANCIAL INSTRUMENTS	2022	2021
	£	£
Financial assets measured by fair value	<u>39,750,227</u>	<u>50,065,692</u>
Financial assets measured by amortised cost	<u>72</u>	<u>72</u>
Financial liabilities measured by amortised cost	<u>7,872</u>	<u>8,647</u>

Financial assets measured by fair value include quoted investments and investment properties.

Financial assets measured at amortised cost include Other Debtors.

Financial liabilities measured at amortised cost include Other Creditors.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

13. DEBTORS	2022 £	2021 £
Other debtors	72	72
Prepayments and accrued income	356,264	393,910
	<u>356,336</u>	<u>393,982</u>
	<u><u>356,336</u></u>	<u><u>393,982</u></u>
14. CASH AT BANK AND IN HAND	2022 £	2021 £
Cash in hand	11	11
Cash at Bank	6,932,094	9,868,195
	<u>6,932,105</u>	<u>9,868,206</u>
	<u><u>6,932,105</u></u>	<u><u>9,868,206</u></u>
15. CREDITORS: amounts falling due within one year	2022 £	2021 £
Accrued grants to charities	3,648,500	2,136,950
Other taxes and social security	698	15,906
Other creditors and deferred income	7,872	8,647
Accrued expenses	69,896	72,731
	<u>3,726,966</u>	<u>2,234,234</u>
	<u><u>3,726,966</u></u>	<u><u>2,234,234</u></u>

16. MOVEMENT IN FUNDS	At 1 January 2022 £	Income £	Expenditure/ Losses £	Transfers £	At 31 December 2022 £
Unrestricted funds:					
General fund	39,731,652	1,336,532	(15,422,164)	14,250,735	39,896,755
Revaluation reserve	19,305,129	-	-	(14,250,735)	5,054,394
	<u>59,036,781</u>	<u>1,336,532</u>	<u>(15,422,164)</u>	<u>-</u>	<u>44,951,149</u>
	<u><u>59,036,781</u></u>	<u><u>1,336,532</u></u>	<u><u>(15,422,164)</u></u>	<u><u>-</u></u>	<u><u>44,951,149</u></u>

The revaluation reserve represents the difference between the historic cost of investments and investment property and their current market (fair) value.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

**17. RECONCILIATION OF NET EXPENDITURE TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2022	2021
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(14,085,632)	(5,190,964)
Depreciation charges	2,498	2,063
Investment losses / (gains)	4,406,036	(2,295,777)
Investment managers fees	493,388	402,172
Dividends, interest and rent for investments	(1,249,985)	(1,478,211)
Revaluation of property	(695,000)	(80,000)
Decrease / (increase) in debtors	37,646	(35,501)
Increase / (decrease) in creditors	1,492,732	(1,290,538)
	<u>(9,598,317)</u>	<u>(9,966,756)</u>

18. LEASE COMMITMENTS

At 31 December 2022, The Foundation was committed to making the following payments under non-cancellable operating leases:

	2022	2021
	£	£
Operating leases payments due within the next year	30,000	30,000
Operating leases payments due between two to five years	60,000	90,000
	<u>90,000</u>	<u>120,000</u>

19. GRANT COMMITMENTS

The Charity is committed to the following grants:

	2022	Year in which payable
	£	
Arts	65,000	2023
Arts	65,000	2024
	<u>130,000</u>	

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

20. LARGE GRANTS PAYABLE IN THE YEAR

Material grants above £75,000 payable in the year were as follows:

	2022
	£
Birmingham Repertory	150,000
Bristol Music Trust	150,000
Cockpit Arts	75,000
Harmeny Education Trust	75,000
Historic Royal Palaces	250,000
Hull Maritime Foundation	250,000
Leeds Theatre Trust	100,000
Lord Leycester's Hospital	100,000
Poetry Society	90,000
Sadlers Wells Trust	75,000
Science Museum Group	400,000
Shakespeare Globe Trust	200,000
The Handel House	75,000
The Warburg Institute	150,000
Theatre Clwyd Trust	407,000
Watershed Arts Trust	100,000

21. RELATED PARTIES

Trustees of the Foyle Foundation are also trustees of the following organisations which were awarded grants by The Foyle Foundation during the year. There were no balances outstanding at 31 December 2022 in respect of these grants.

	Grant awarded	
	2022	2021
	£	£
Earls Court Youth Clubs	10,000	10,000
	-----	-----
	10,000	10,000
	=====	=====