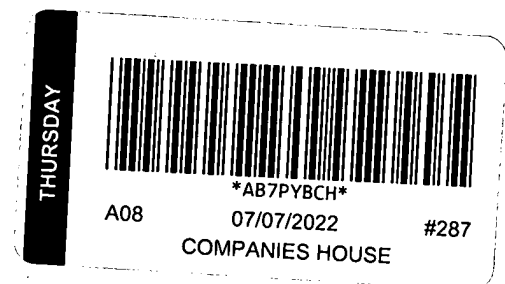


COMPANY NO: 03522188

CHARITY NUMBER: 1068617

**THE EDWARD GOSTLING FOUNDATION
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



**THE EDWARD GOSTLING FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2022**

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THE EDWARD GOSTLING FOUNDATION
CHAIRMAN'S REVIEW
FOR THE YEAR ENDED 31 MARCH 2022

After 21 years as a Trustee, the last 17 as Chair, it is time for me to retire and this will therefore be my final Chairman's Review.

To be asked to pick up the mantle of our founding Chairman, Ted Gostling, in 2005 and to carry on his 'charitable dream' filled me with immense pride but also a little trepidation! Ted was a wonderful, caring, person with a heart to change the lives of disadvantaged people who live, not only on a low income but whom have the added 'challenge' of a long-term illness or disability. Sadly, Ted is no longer with us but, as I look back over my time as Chair, I know that when we 'meet' again he will say "the Charity, with over £50M spent on charitable activities thus far, has developed beyond my 'wildest dreams' and has, indeed, transformed the lives of the tens of thousands of needy people who were always on my mind and, more importantly, in my heart!"

As I reflect, I am increasingly humbled when I think of the 'army' of incredible people who work tirelessly for our Charity Partners, many of whom are unpaid volunteers; people that share Ted's dream of a better world for the millions of vulnerable people across the UK. Through them, Ted's dream has become a reality. Though far too many to mention by name, I thank each and every one of them for the work they do, serving to enrich the lives of others less fortunate than they.

Likewise, my 'journey' over the last 21 years, which has taken us through a succession of ever growing profitable business and organisational structures, has been made much simpler thanks to the small and totally dedicated Head Office team, directed and led by our Executive Trustee and Deputy Chairman, Denis Taylor, whom, together with the unfaltering commitment of my fellow Trustees, all of whom I am proud to call friends, has been truly inspiring in oh so many ways!

Now is the time to look forward! Succession planning has been at the forefront of our minds for a number of years and, as ever, we have been working to make sure we have in place the necessary skills and expertise both on the Trustee Board and within the Executive. As I stand down it gives me great pleasure to pass the, greatly deserved, mantle of Chair to Denis Taylor. It also gives me great pleasure to announce the appointment of Trustees, Chris Erwood as Deputy Chair and Victoria Hoskins as Executive Trustee, with responsibility for running the day-to-day operation.

COVID-19 has without doubt changed all our lives and we must now look to the future and adapt as best as we can. Nowhere has its impact been felt more than by the most vulnerable in society who were already disadvantaged and living on the margins before it struck. With the changes proposed at Board and Executive level we felt it was also timely to review our long-term charitable objectives and review how best we could meet our charitable 'Vision' in a 'post Covid' world. As an independent grant maker, we are in the fortunate position of having no restrictions on how we spend our capital and income and, as a Board, we were unanimous that in the 25 years since we were incorporated there has never been a greater need, which led us to conclude we should do more to meet today's demand as, deeply regrettably, those in need may not have a 'tomorrow'.

We have already agreed some exciting plans for the future, not least of which is to remove our self-imposed cap on charitable spend at 4% of NAV, which will see us target a doubling of our charitable spending over the next 10 years from £50M to £100M. A courageous decision agreed by Trustees and staff without reservation and a decision of which I am immensely proud. Depending on the performance of investment markets over that time, this may lead to us 'spending out' however that is a risk the Board fully understands and accepts. We all agree it is not essential for EGF to endure in perpetuity, it is more important that the projects we fund today, from using additional capital, endure and become a catalyst for change in transforming the care of the most vulnerable in society - a living legacy for years to come. As I bow out, when the time comes, I will reply to Ted and say "that was just the beginning my friend and it is all down to you!"


M A Street
Chairman

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees of The Edward Gostling Foundation ("The Foundation"), who are also Directors of the charity for the purposes of the Companies Act, present their annual report for the year ended 31 March 2021 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year. The financial statements comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Edward Gostling Foundation is a registered charity, registration number 1068617 and a company limited by guarantee, company number 3522188.

Registered Office The Edward Gostling Foundation
Suite 1
61 Thames Street
Windsor
Berkshire
SL4 1QW

Trustees, Directors and Members

The Trustees (who are also Directors and Members of the charity) who held office during the year were as follows:

M A Street OBE	Chairman (2) (3)
D N Taylor	Deputy Chairman and Executive Trustee (1) (3) (4)
C J Clarkson	(1)
C M Erwood	(3) (4)
V E Hoskins	(4) Appointed 1 st April 2021
R P Meadows	(4)
J J O'Sullivan MBE	(1) (2)
S C O'Sullivan	(4)
R F White	(1) (2)

Carole Sawyers (1) was appointed as an Ex-Officio Member in June 2020 and, subject to a satisfactory probation period, she will be appointed as a Director & Member on 1 July 2022.

- (1) Members of the Grants Committee
- (2) Members of the Remuneration Committee
- (3) Members of the Nominations Committee
- (4) Members of the Finance & Investment Committee

During the year an indemnity insurance policy was maintained for the Trustees.

Company Secretary P Morris

Key Management

D N Taylor	Executive Trustee
C J Kendall	Operations Director
P Morris	Finance Director

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

PROFESSIONAL ADVISORS

Auditors	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
Bankers	Lloyds Bank Plc 33 Old Broad Street London EC2N 1HZ
Asset Managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET Savills Investment Management (UK) Limited 33 Margaret Street London W1G 0JD Rathbone Greenbank Investments 10 Queen Square Bristol BS1 4NT
Investment Advisor	DMJ Consultancy Services Limited Tempus Wharf, 29a Bermondsey Wall West London SE16 4SA
Solicitors	Russell Cooke LLP 2 Putney Hill London SW15 6AB
Property Advisors	CBRE The Quay, 30 Channel Way Ocean Village Southampton SO14 3TG

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Foundation, established in 1998, is a charity registered with the Charity Commission, number 1068617 and is governed by Memorandum and Articles of Association (last amended 24 June 2021).

Governing Body

The members of the Governing Body are detailed on page 2. At every Board Appointment Meeting one third of the Trustees are subject to retirement by rotation. Retiring Trustees are eligible for re-appointment if a three quarters majority resolves.

The Board may appoint one of their number as Chairman and there is no fixed term for this office. Trustees may also appoint one of their number as the Executive Trustee on such terms as they determine. Such an appointment shall terminate should that person cease to be a Director.

Charity Governance Code

The Trustees have reviewed the Charity Governance Code recommended by the Charity Commission. The code is not a legal or statutory requirement however Trustees believe it demonstrates good practice and will seek to follow its guiding principles and regularly review to see whether improvements to current practice should be made. For example, the Foundation's lawyers undertook an audit of its policies during the year and, as a result, a number of amendments and new policies were introduced and approved by Trustees in June 2021.

Remuneration Policy

The Remuneration Policy applies to all employees.

It is essential that the Foundation's Remuneration Policy allows it to attract and retain people with the right values, experience, knowledge and skills required to lead, manage, support and deliver its strategic aim. Trustees of the Foundation believe that having a competitive reward offering is one of the many ways in which they can secure the very best people who are capable of making a significant impact on the delivery of these objectives.

The Board of Trustees believes the Foundation's benefits package should be competitive and the market sector used for making this assessment will depend on the relevant area of profession the employee is recruited from, the complexity of the role and the value of the level of skills, knowledge and experience which is required to perform the role effectively. This can range from the not for profit sector, such as other charities of similar size, through to local government, the civil service, financial and other investment sectors.

The Foundation seeks to recruit and retain staff through being a model employer, recognising the impact of work on people's overall health & wellbeing and their family life regardless of their gender. Through its HR policies the Foundation recognises the benefits that can accrue through offering a living wage alongside best in practice policies on flexible working, adoption, maternity and paternity leave, unplanned absences, holiday entitlement and pension arrangements.

Performance Related Pay (PRP) is available throughout all levels of the organisation. The Foundation recognises both operational and financial performance in excess of budget targets through the payment of PRP, with individual KPIs set at the start of each budget year. Individuals undergo an annual performance appraisal which ultimately determines the level of PRP award. Any awards granted may be allocated in part or in whole as a consolidated salary increase, a lump sum non-consolidated bonus or be deferred as part of a long-term incentive plan.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees also measure the median pay ratio of staff to the highest paid employee. The Foundation's current ratio, based on the median FTE salary is below 5. At this level Trustees do not consider setting a maximum ratio is necessary but they will keep it under review.

The Board of Trustees is responsible for defining Remuneration Policy and deciding on the remuneration of the Executive Team. The Board delegates this responsibility to the Remuneration Committee. The composition and timing of the meetings of the Remuneration Committee are set out in its Terms of Reference however it includes 3 Trustees and an independent external adviser with sector experience.

Reasonable and proper remuneration can be paid to any Trustee for services undertaken in the administration of the Foundation providing they withdraw from any meeting whilst such remuneration is discussed and that at no time must a majority of Trustees benefit from such remuneration.

Reserves Policy

The Trustees have reviewed the reserves of the Foundation. The Foundation currently distributes in excess of its income each year and has no income retained as unrestricted funds. After deducting the value of fixed assets held for the Foundation's own use, reserves available for current activities are £103.9M (FY2020/21: £104.4M) which primarily represents the equity held in the Foundation's investments which are managed on a total return basis. The Trustees consider that, in conjunction with their liquidity and their investment and distribution policies, the current level of reserves is appropriate to enable them to meet their target of doubling charitable spending over the next 10 years from £50M to £100M. The Finance and Investment Committee regularly monitor liquidity and cashflow with the Executive to ensure these are sufficient to cover ongoing expenditure.

Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The review of our financial position, reserve levels and future plans give Trustees confidence that the Foundation will continue in operational existence for the foreseeable future and, for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

Organisational Management

The members of the Board are legally responsible for the overall management and control of the charitable company. The Foundation's financial year runs from 1 April to 31 March and Trustees aim to meet at least 3 times per year.

The Board has delegated some powers to 4 Committees.

- The Grants Committee oversees, monitors and evaluates all grant making activities to ensure they are in accordance with the Foundation's 'Charitable Vision'. It has delegated authority from the Board to investigate and make decisions and award grants on more complex applications of up to £250,000.
- The Finance & Investment Committee reviews and recommends to the Trustee Board systems of internal control and financial governance and provides strategic direction and oversight of the Foundation's Investment Policy, asset allocation and the performance of investments.
- The Nominations Committee makes recommendations to the Trustee Board on the appointment of new Trustees. It also reviews the skills, knowledge, experience and diversity of the Board and Executive Team and formulates plans on succession for Trustees and executives, having regard to the challenges and opportunities facing the company and the skills and expertise needed for the future.
- The Remuneration Committee makes recommendations to the Trustee Board on the Remuneration Policy and determines the salaries and performance related pay of the Executive.

These Committees meet formally during the year as required. All Trustees, regardless of whether they are members of these Committees, are invited to attend the meetings.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Trust is run on a day to day basis by The Executive Trustee, Denis Taylor, with the support of the Finance Director, Petra Morris and the Operations Director, Caroline Kendall. Decisions on grants below £50,000 are delegated by the Board to this Executive Team.

Recruitment and Training of Trustees

Potential Trustees are identified by members of the Board and considered by the Nominations Committee against the Board's requirements concerning eligibility, competence, specialist skills, diversity and knowledge gaps. They seek to achieve a balance of experience and background. Open advertising is undertaken when necessary. Training is regularly offered to all Trustees and when particular areas are required to be addressed, presentations are held at the Board's meetings. Further training is offered at seminars and through briefings.

There is a comprehensive induction process for new appointees to the Board involving briefing meetings with the Chair and Executive Officers and a documentation pack is circulated to all Trustees annually which contains the latest policies, procedures and business plans, as well as formal legal and statutory documentation.

OBJECTS & PRINCIPAL ACTIVITIES

Objects

The objective of the Foundation is clearly articulated in its 'Vision' "that people living on a low income who have a disability or long-term illness should have as many as possible of the same choices, quality of life opportunities and aspirations as others more fortunate than themselves".

The Foundation is primarily a reactive funder supporting a range of projects that reflect its 'Vision' across "4 Life Themes". More information is available in the guidelines published on the Foundation's website at <https://www.edwardgostlingfoundation.org.uk/application-guidelines/>

Principal Activities

The main activity of the Foundation is the award of grants to other charities registered and regulated by a UK Charity Commission to financially support a wide variety of projects that meet its charitable objects. Applications are not accepted by post or e-mail and applicants are required to register online with us to be able to apply for grant funding, via our website, at www.edwardgostlingfoundation.org.uk

The Foundation's grant policy prioritises small community based charitable organisations which have difficulty in raising funds but can tangibly demonstrate a thorough understanding of the Foundation's 'Vision' and effectively work to reduce disadvantage and deprivation in their immediate communities.

STRATEGIC REPORT

Aims and Objectives

As noted above, the Foundation's 'Vision' is that people living with a mental and/or physical disability or a long-term illness should have the same choices, quality of life opportunities and aspirations as others more fortunate than themselves.

In pursuit of our 'Vision' and to enable us to concentrate on the 'bigger picture' of Charitable 'need', all our giving is now 'filtered' through 'Charity Partners'. Our financial support enables them to work more readily within their areas of expertise and thereby deliver projects supporting one or more of our "4 Life Themes".

- Health & Wellbeing – improving people's physical/mental health and general welfare.
- Independent Living – helping people to live independently in their own home.
- Respite – recognising family carers for the fantastic and vital work they do.
- Transition – helping people into employment, housing or supported living.

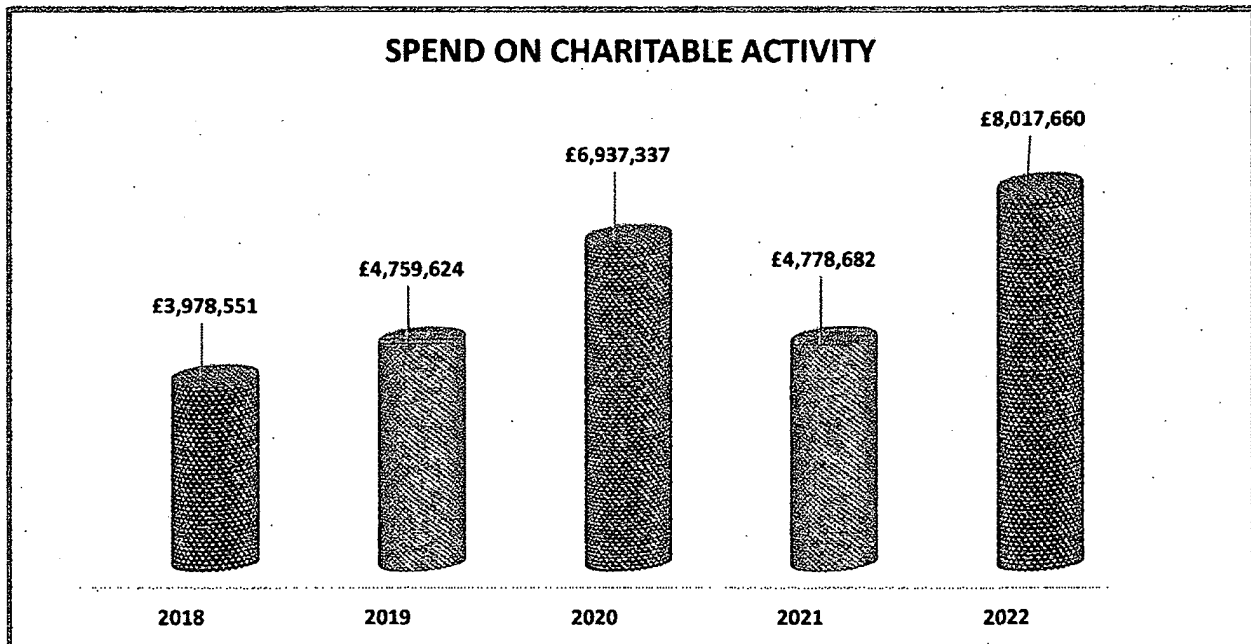
**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

We are extremely proud of the relationships we have with all our remarkable Charity Partners and are proud of the high-quality services that they provide, with a personal touch, in support of those for whom our "Vision" seeks positive and lasting change. These organisations reach out to some of the UK's most disadvantaged people. If their services were to be lost, it could have a devastating impact on community life.

During the year the Foundation adapted its online application process and now operates 2 distinct grant programmes offering both unrestricted and restricted funding. Unrestricted funding is provided through our Small Grants Programme which targets our priority of supporting small community charities with an annual income of £1M or less. Our review reflects the struggles this group has in raising funds for core costs and, to alleviate this, we have increased the maximum level of grant available under this programme from £5K to £25K. Our new Capital Grants programme allows charities of any size to apply for funding of up to £250K towards a project which either enhances or expands an existing service or brings about a truly transformational change in the way support and care are provided. More details of both programmes are available on our website at <https://www.edwardgostlingfoundation.org.uk/apply-for-a-grant/>.

In the year, 466 new grants with a total value of £7,433K were awarded of which 80% and 56% respectively were through the Small Grants programme.

Over the next 10 years, as a result of the Foundation removing its self-imposed cap on charitable spend, we expect to provide over £100M of funding to organisations sharing our 'Vision'. This effectively doubles the funds we are making available for charitable purposes thus helping meet today's increasing needs for the most vulnerable people in society for whom the COVID-19 pandemic and resulting cost of living crisis is taking a serious toll on both their physical and mental wellbeing. By increasing our financial support, we can help enhance existing or create new sustainable services which will have a significant impact on life today for people with limited tomorrows.



The Foundation employs an Operations Director, Caroline Kendall, to oversee charity operations and she is supported by a small team to enable applications to be assessed and grants to be made within the criteria laid down by Trustees.

Under our grant making policy the priority is to provide financial support that enables one or more of our 'Themes' to be met.

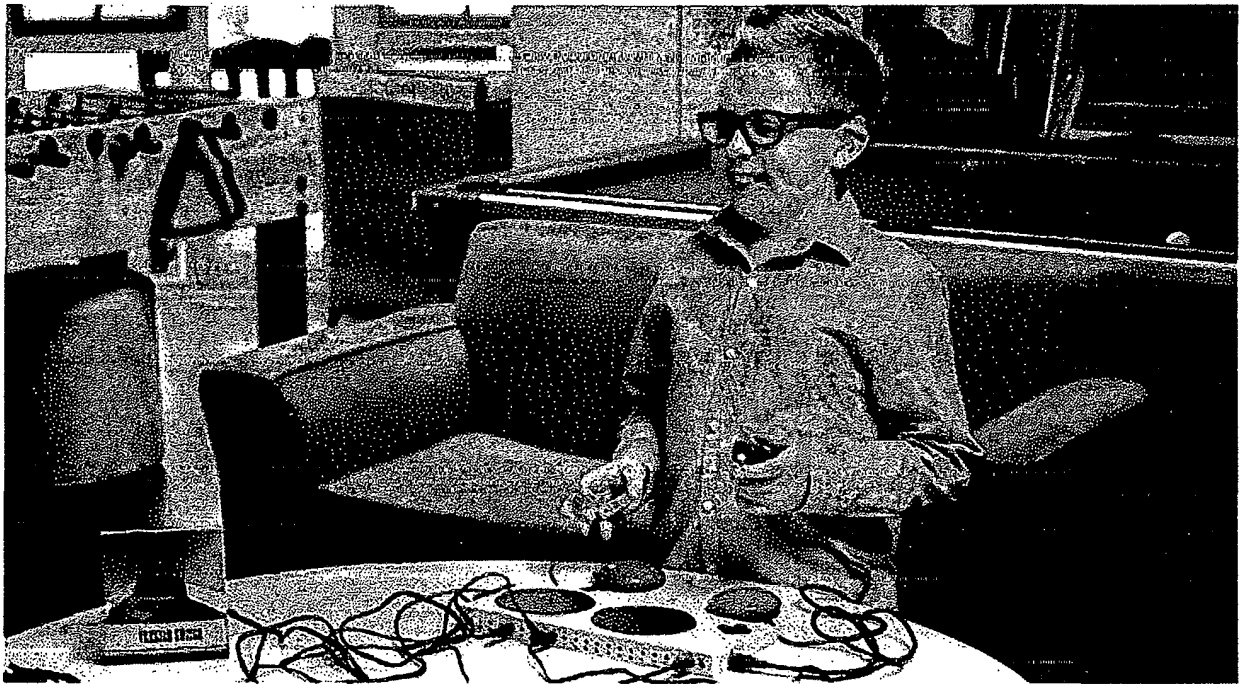
A Case Study on recent grants awarded for each of these 'Themes' can be found on the following pages.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

HEALTH & WELLBEING

Improving people's physical/mental health and general welfare

Lifelites is a charity which provides life-limited and disabled children using hospice services across the British Isles the chance to play, be creative, control something for themselves and communicate, through the magic of assistive technology.



We have supported Lifelites for several years, match funding equipment such as the 'Tech Trunk', a package of portable technologies that are easily transportable when hospice staff visit children in their own homes and our latest award in this regard will see the provision of equipment to 13 hospice services and support of 3,600 children.

In February we agreed a Deed of Gift with the charity to provide an expendable endowment to support their work over the next 10 years which will allow them security to continue the provision of specialist IT equipment for the children. In recognition of our commitment, Lifelites made us a 'Platinum' Partner and both our Trustees and the team were delighted to be honoured in this way.

Rob Lightfoot, CEO said: - "Lifelites is proud to partner the Edward Gostling Foundation. Their support has been invaluable over the last few years, particularly during the pandemic, when the vulnerable children that we serve were having a particularly difficult time. Their gift of a significant expendable endowment will enable Lifelites to provide a decade of vital support for the 10,000 life-limited and disabled children using hospice services each year. Thanks to this unprecedented gift, we can empower these children, through the innovative technology that we donate, to play, create and communicate even in the last days of their short lives. On behalf of those children and their families, I want to express our gratitude to The Edward Gostling Foundation for their wonderful support".

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

INDEPENDENT LIVING AT HOME

Helping people with disabilities or those that suffer from a long-term illness live independently

Hour Community is a charity that supports vulnerable people who are residents of Framlingham, Suffolk and the surrounding villages. They offer a number of services such as transport to hospital appointments, shopping assistance, befriending, clubs, The Worry Tree Café and the Help at Home service which sees their team of volunteers carry out small DIY and decorating jobs and anything from changing lightbulbs to walking dogs, in a bid to alleviate worry and anxiety and generally make life easier for people in need.



The charity say they seek to 'provide community solutions to community issues'.

Our latest grant helped fund operating costs for their Help at Home Service as this fits perfectly with our Independent Living at Home theme.

Nick Corke, CEO said: - "Without the support of organisations such as The Edward Gostling Foundation, charities such as ours, Hour Community, would really struggle to provide the services that are so desperately needed in rural communities. Not only do the grants help with our work but it's also a tremendous boost to the wellbeing of the volunteers and staff when an organisation such as The Edward Gostling Foundation endorses our work".

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

RESPIRE

Enabling carers to take a break from the responsibilities of caring for a loved one

Sebastian's Action Trust is a leading provider of social palliative care for life-limited and life threatened children and their families. The charity supports around 600 families each year, offering an ever-evolving programme of support completely free of charge and adapts to the needs of each family in a way that always respects choice, individuality and the implications of "living with a new, often unwelcome normal".



We have supported Sebastian's for several years by providing bursaries for respite breaks and helping with a refurbishment project at their flagship facility, The Bluebells in Hampshire.

In January this year we helped fund the cost of building two residential cabins at their Woodlands Centre in Crowthorne, Berkshire which will provide whole family respite accommodation for seriously ill children and their families for both planned and crisis breaks.

Work on the cabins is expected to start shortly, with completion expected by the end of this year.

Jane Gates, CEO said: - "We are so fortunate to have the support of The Edward Gostling Foundation and for their donation towards the construction of two detached lodges in the grounds of our Berkshire centre, The Woodlands. A respite break in one of these fully accessible, exclusive lodges will enable families with seriously ill children to rest, relax and make memories which will sustain them through the challenging days, weeks and months to come, knowing that their child's future is very uncertain. This grant represents another much-valued commitment to our charitable endeavours and we are most grateful for the continuing relationship which is helping us to reach an even greater number of beneficiaries".

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

TRANSITION

Helping people into employment, housing or supported living

Little Gate Farm is a charity based in East Sussex which provides a skills and training programme for learning disabled and autistic adults and young people who would like to go into paid work through supported employment. They also provide respite through their weekend and holiday club, Little Gate Rangers, for children with learning difficulties.



The charity was founded in 2013 by the parent of a child with a learning disability who realised how limited their work opportunities and therefore aspirations would be after leaving school.

Today the charity supports many adults into paid employment with work training taking place on Little Gate Farm. At the farm training is offered in hospitality, catering, housekeeping, building maintenance, office and administration skills, animal care, horticulture and much more. They have secured more than 100 paid jobs since they first started and currently have 80 adults on their work training programme.

Our grant was towards their operating costs to help them to help others transition to a better future.

Tracy Smith, Fundraiser said: - "We would like to thank The Edward Gostling Foundation for their support. This vital funding will help Little Gate to change the lives of adults and children with learning disabilities and autism. We will be able to support adults with learning disabilities to find meaningful, paid employment and help to raise the aspirations and hopes of many young people who would otherwise not be accommodated in the workplace. We will also be able to support children with additional needs and their families and give them the opportunity to enjoy adventures and fun in the countryside".

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

In line with our strategic plan we increased our number of Charity Partners again this year, establishing programmes to tackle specific social issues around living with a disability or a long-term illness. Of the 466 grants awarded, 334 were to first-time partners, i.e. organisations that we had not worked with previously.

Within the delegated powers set down by the Trustees, donations up to £50,000 require the approval of 2 Officers with the same or higher approval authority. Grants between £50,001 and £100,000 must be authorised by the Foundation's Chair and one other Trustee. Any charitable expenditure up to £250,000 can be approved by the Grants Committee with charitable expenditure over £250,000 requiring the approval of the Board.

The Foundation will continue to seek applications from other charitable organisations by advertising its existence and publication of the application procedure on its website. The website has attracted 1,323 new registrations this year, all of whom are potential partners. The Foundation is also listed as a grant maker under its beneficiary criteria in several other publications as well as with the Charity Commission.

Strategic Investment Objectives

Our investments provide the funding for all our charitable activities (grant and social investments) and cover our support and administration costs. The Trustees review the Investment Policy every 3 years, with the current policy effective from January 2022.

The objectives of the Foundation's Investment Policy are:

1. To maintain the value of the reserves, at least in line with the level of the UK's Consumer Prices Index (CPI), measured over a rolling 10-year period after transfers to fund charitable activities.
2. To produce a consistent amount of income annually for expenditure on charitable activities and the governance and management of the Foundation. Trustees expect to use around 10% of the underlying value of the assets each year for this purpose.
3. To seek investment opportunities which complement EGF's 'Vision' and broader social and environmental changes, e.g. UN's Sustainable Development Goals (SDGs) and invest in companies that manifest sustainable environmental practice, e.g., fair treatment of customers and suppliers, responsible employment practices, regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice.

To meet these investment objectives the Foundation allocates its investments across two areas:

1. Market Investments
2. Programme Related Investments

For efficient operational management, EGF maintains a number of call and short notice access accounts to manage the cash and accessible deposits of liquid investments needed for funding its operating costs associated with running the business and the cash grants paid to Charity Partners. These accounts are primarily funded by the distributable income derived from the Market and Programme Related Investments. Any shortfall of income over costs will be covered through the planned sale of assets held in Market Investments.

Implementation of the Foundation's investment strategy is the responsibility of the Executive Trustee with support from the external investment managers listed on page 2 and the Finance & Investment Committee.

Achievements

There were 805 new applications from other charities for the grants team to process in the year (FY2020/21: 1,325).

THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

From these applications, 466 (57.9%) were awarded grants (FY20/2021: 727 and 54.9%), 295 (36.7%) were rejected or withdrawn as they did not meet one of our 'Themes' (FY2020/21: 43.5%) and 44 (5.4%) applications were still under consideration at 31st March 2022.

In total, spend on charitable activity accounted for in the year was £8,018K (FY2020/21: £4,779K).

Grant pledges awaiting payment at the year-end totalled £4,452K (FY2020/21: £2,441K) being £375K in respect of grants awarded and accounted for in previous years and £4,077K for grants awarded and accounted for in the current financial year.

NB. Donations are charged to the accounts in the year they are pledged. The fluctuating charge in respect of donations year on year reflects this accounting treatment.

The tables below illustrate our priority of supporting smaller charities which can make a real difference to the local communities they support. Of the grants we awarded, 93% (FY2020/21: 99%) were for £25K and less and 80% (FY2020/21: 82%) went to organisations with an annual income of less than £1M.

Number of Grants Awarded By Value

	2019/20	2020/21	2021/22
£25,000 and under	440	719	454
£25,001 - £100,000	28	8	5
£100,001 - £250,000	2	0	4
Over £250,000	2	0	3
Total	472	727	466

Number of Grants Awarded By Income Level

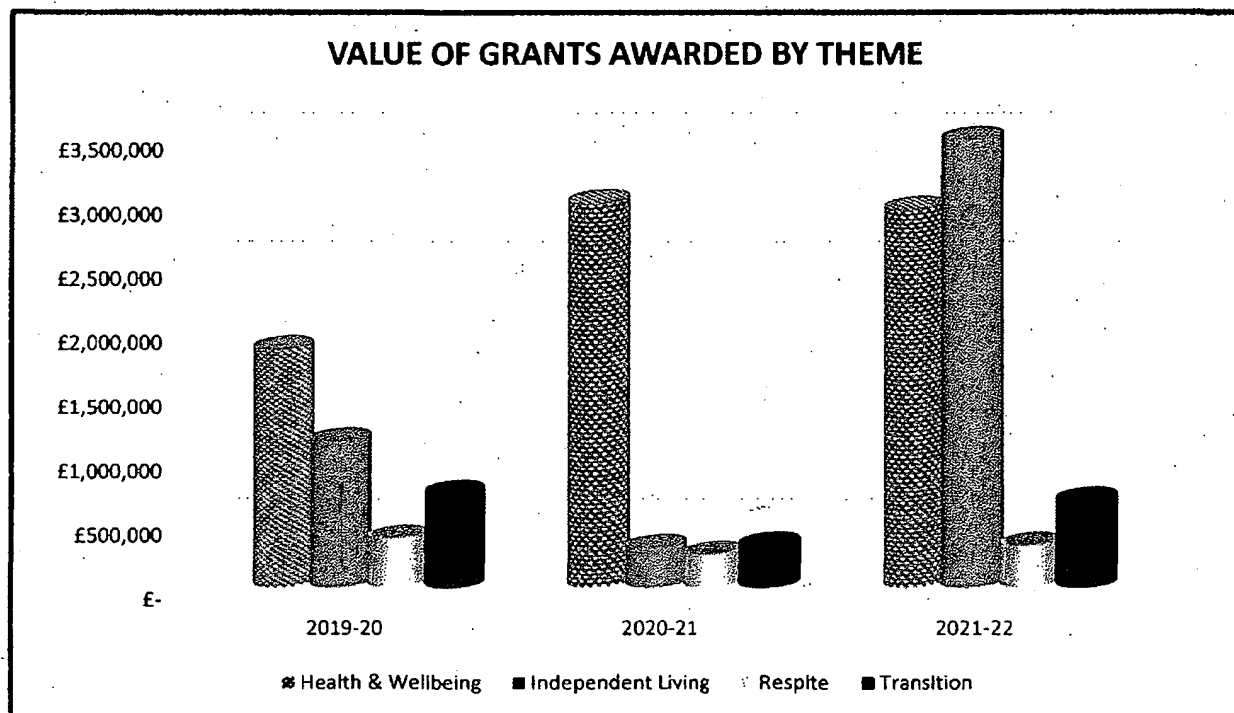
	2019/20	2020/21	2021/22
£1M or less	361	594	373
£1M - £5M	70	128	69
£5M - £10M	22	1	6
Over £10M	16	4	18
Total	472	727	466

We aim to make decisions on all applications under our small grants programme within one month. For all other applications our target is to decide on 95% of these within 3 months. Applications for awards over £100,000 may take longer mainly due to the cycle of Trustee meetings and the additional due diligence we undertake. Once again, we have exceeded target with all applications being decided within 1 month; a truly exceptional response from the team.

This outstanding performance could not have been achieved without our online application process which has significantly improved the quality of applications we receive, freed up resources and helped speed up our decision-making process.

A key part of the Foundation's strategy over the years has been working in partnership with other grant makers that provide direct funding or vital equipment to individuals facing multiple social challenges through having a disability, a serious long term or life limiting illness and who are living on a low income. Much of the work undertaken by our partners is targeted at enabling people to live independently at home where stress and anxiety levels are lessened thereby promoting health and well-being. During the year we strengthened our partnership with six such charities by providing greater financial security over the next 10 years through the gift of an expendable endowment. These expendable endowments are a clear way of us demonstrating our trust in the work Charity Partners do on our behalf and how they help us reach people under our Health & Wellbeing and Independent Living Themes. The chart below demonstrates, 86% of our donations by value this year were made in support of these two 'Themes' (FY2020/21: 85%).

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**



Measuring Impact

Currently the impact of our grant making is measured against what organisations and individuals tell us they are seeking to achieve. In most cases we are part of a funding consortium and only contribute a portion of the overall funding needed and therefore cannot take sole credit for the many remarkable outcomes that are achieved, especially by our partners operating in the care and social services sectors for whom we have much admiration.

We deliberately do not impose a generic set of objectives that our partners must meet, preferring instead for them and their own Trustees to determine how best to spend their funds for greatest impact. For us we believe our own impact is adequately measured by the reporting grantees are required to submit as to how our grants have been used and their effectiveness on the lives of beneficiaries. We also see this from the thank you letters we receive each year, from site visits, seeing building projects and facilities delivered months and sometimes years earlier than would otherwise have been possible, from seeing new projects flourish and grow when others would not take the risk on funding and from seeing lives transformed with often just a very small financial contribution.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. A very good measure of the public benefit that we create can be found in the grants awarded over £10,000 listed on pages 48-52 of this report. The charitable purpose for the Foundation within the meaning of The Act is enshrined within its objects, as given in the memorandum and articles of association which were last updated in June 2021.

Risk Management

The Trustees have examined the principal areas of the Foundation's operation and have considered what major risks arise in each of these areas. They review risk on an annual basis and included in this review is an annual risk audit undertaken by the Executive. The risk management strategy is concerned with ensuring that the level of risk involved is acceptable and that reasonable steps are taken to manage and control the risk. Trustees are satisfied that effective measures are in place to mitigate identified risks and the annual

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

risk audit mentioned above ensures continued compliance with internal policies and procedures and helps identify new or changing risk profiles. The key risks have been identified and grouped under the following headings:

i) Governance

Having an inappropriate legal structure; acting unconstitutionally; failing to maintain proper records and accounts; not fulfilling regulatory requirements; failing to have appropriately skilled directors; failure to manage conflicts of interest.

Mitigation: Involvement of legal specialists as required, properly constituted boards and committees, employment of suitably qualified and experienced staff, external audit, timetabling of filing deadlines, regular Trustee training, clear conflict of interest policies.

ii) Asset Management

Failure to protect ownership of assets and investments; failure to have sufficient insurance; misappropriation of funds; fraud; failure to employ appropriately skilled staff; failure to control overheads; failure to maintain building fabric; systems failure; disaster or loss of premises.

Mitigation: Due diligence on all property acquisitions, regular review of risk and insurance cover, clear policies and procedures, employment of suitably qualified and experienced staff and investment managers, external audit, budget setting and financial forecasting, planned maintenance programme, remote data back-up and storage, contingency and disaster recovery plans in place and regularly tested.

iii) Financial & Investment Management

Erosion of income and inappropriate investment returns; market economics; interest rate movements; exposure to derivatives; adequacy of reserves and cashflow.

Mitigation: Monitoring and benchmarking investment performance, spread of asset classes, cashflow forecasting, maintenance of good working relationships with our Banks and Investment Managers and professional advisers.

iv) Compliance with Law & Regulation

Breach of legal and regulatory requirements.

Mitigation: Annual external audit, annual internal audit quinquennial review by legal advisers, communication of policies and procedures between management and staff.

v) Grants & Donations

Inappropriate grants spend; lack of "value for money"; lack of grant applications; making inappropriate grants or grants outside of charitable objects.

Mitigation: Established policies and procedures promotion, regular review at board level, ongoing monitoring programme.

In the opinion of the Trustees, the Foundation has established resources and review systems that, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations. The Trustees also meet the auditors during the year to discuss the recommendations arising from their annual audit which helps inform their approach.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Fundraising

The Foundation had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

PROVISION OF INFORMATION TO AUDITORS

In determining how amounts are presented within items in the Statement of Financial Activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

So far as each of the Trustees is aware at the time the report is approved: -

- there is no relevant audit information of which the company's auditors are unaware; and
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Crowe U.K, LLP has indicated its willingness to be reappointed as statutory auditor.

FINANCIAL REVIEW

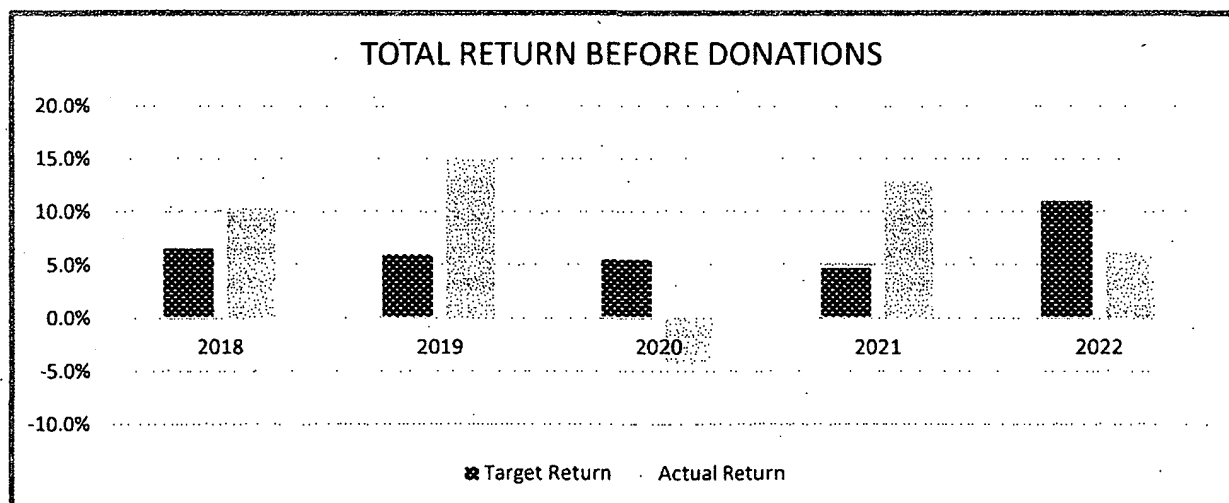
Investment Policy and Performance

During the year Trustees agreed a target of spending £100M on charitable activity over the next 10 years and the Foundation no longer sets an annual donation target related to Net Asset Value. To measure investment performance the Foundation operates a total return approach to investment with the aim of maximising total returns regardless of whether those returns accrue by way of income or capital growth. Management of the investment portfolio is overseen by the Executive Trustee with the support of external professional investment managers and members of the Foundation's Finance & Investment Committee. Each Investment Manager is given bespoke benchmarks against which their performance is measured with the Foundation seeking to maintain the value of its reserves, at least in line with the level of the UK's Consumer Prices Index (CPI), measured over a rolling 10-year period after transfers to fund charitable activities.

Investment Summary

The net asset value of the Trust's investment portfolio at 31st March 2022 was £105.2M (2020/21: £106.7M).

The total return achieved by this portfolio is shown in the chart below, and this is in line with the Foundation's investment objectives outlined above.



**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Foundation has 3 subsidiary undertakings which are described in note 9 to the financial statements, with the net income of these subsidiaries disclosed in note 9b to the financial statements.

As part of our social investment strategy, we provide Charity Partners with concessionary loans and, at 31st March 2022, the outstanding value of these loans was £900K.

Another of the Foundation's programme related investments represents the entire share capital of ACG Participacoes Ltd, a company incorporated in Brazil, which holds the net disposal proceeds from the sale of land and buildings from which a school was previously run for charitable purposes.

During the year, Trustees allocated a further £1M to continue its support and provide a lifeline to those living in the poorest communities for at least the next 5 years. These funds were transferred in March.

Case studies on two of our Brazilian Partners, SOMAR and Liga Solidária, are in the following pages.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

**CASE STUDY
SOMAR, BRAZIL**



Stephen O'Sullivan and SOMAR's President, Andrés Luna, in front of the SOMAR facilities, located in the outskirts of São Paulo, in a region known as "Jardim Felicidade"

SOMAR is an international NGO originally founded in Peru in 1988 by a catholic movement called MVC (Movimento de Vida Cristã – Movement for Christian Life). It began its activities in Brazil in 1998 assisting needy communities in the poor northern part of the city of Rio de Janeiro, expanded to the city of São Paulo in 2006 and then to the city of Petrópolis in the State of Rio de Janeiro. The charity is a well-known and highly respected organisation in Brazil and, in 2007, the Brazilian government recognised it as an "Organização da Sociedade Civil de Interesse Público – OSCIP" (Civil Organisation of Public Interest), the most prestigious recognition conferred upon a charitable organisation. The aim of SOMAR is to assist communities principally through offering education and support leading to personnel development.

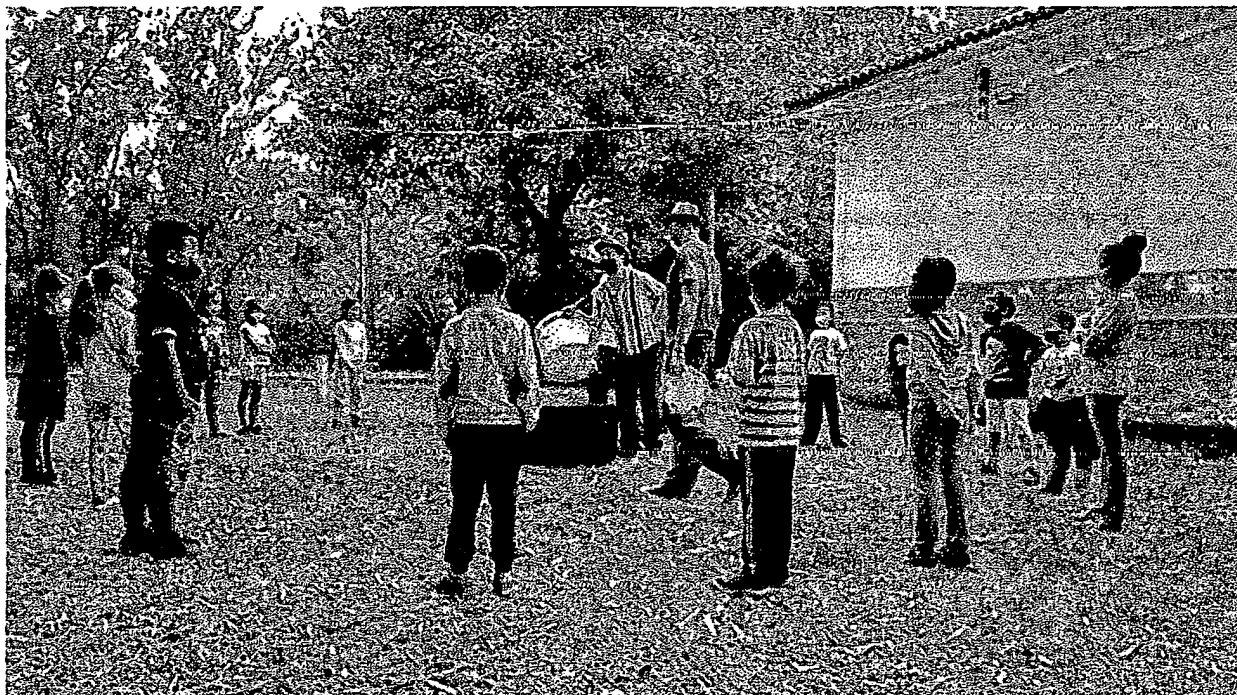
SOMAR has been a charity partner of EGF since 2017 with donations having totalled over R\$300K (approx. £48K) to date with a further £250K over five years allocated from the previously mentioned £1M for Brazilian charities agreed by Trustees in the year.

Our funding will support a new project, "Polishing Diamonds" which will provide 225 children and teenagers an intensive education over a period of two years in subjects such as Portuguese, Maths and English, as well as in computing, arts, dance, music, etc. This will make a huge difference to the lives of these young people.

**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

CASE STUDY

LIGA SOLIDÁRIA, BRAZIL



Liga Solidária (The Solidarity League) was founded in 1923 in São Paulo, initially as the Catholic Ladies League of São Paulo. It is a non-profit organisation offering socio-educational and citizenship programs that benefit over 13,000 people of all ages each year who are living in extreme poverty.

We have partnered with Liga Solidária since 2020 and donations to date are at approximately R\$150K (£24K). Our commitment to provide them with a further £250K over the next 5 years will see the continuation of two projects we have been supporting, namely:

"Cultural Expansion as a Tool for Work" (*Ampliação Cultural como Ferramenta de Trabalho*) where the objective is to better prepare individuals, not only for the workplace but also for active involvement in the communities in which they live, through access to culture and cultural development. To achieve this the project offers several courses and workshops in a range of cultural and artistic areas such as visual arts, body movement, music, dramatic arts, literature, audio-visual and new technologies.

Art and Flavour (*Arte e Sabor*), a project to teach skills in arts & crafts and cooking as a potential source of income generation for deprived communities whose options are otherwise limited.

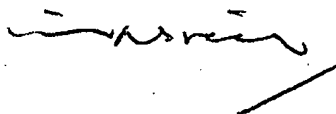
**THE EDWARD GOSTLING FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Reserves Policy

The Trustees have reviewed the reserves of the charity. The charity currently distributes in excess of its income each year and has no income retained as unrestricted funds. After deducting the value of fixed assets held for the Charity's own use, reserves available for current activities are £103.9M (FY2020/21: £104.4M) which primarily represents the equity held in the Charity's investments which are managed on a total return basis. The Trustees consider that, in conjunction with their liquidity and their investment and distribution policies, the current level of reserves is appropriate to enable them to continue to fund grants, the social investment programme, investment management fees and support and governance costs without eroding the longer-term real value of the Charity's investment capital. The Trustees regularly monitor liquidity and cashflow to ensure these are sufficient to cover ongoing expenditure.

Trustees have considered how COVID-19 could continue to affect the accounting policies that underlie these financial statements and have reviewed income budgets, asset valuations and made assessments regarding possible material uncertainties and the adequacy of disclosures. Following this review, the Trustees consider that there are sufficient reserves at 31 March 2022 to manage any foreseeable downturn in the UK and global economy and that there is a reasonable expectation The Edward Gostling Foundation has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

The Trustees Report and the Strategic Report have been approved by order of the Board on 28 June 2022.



**M A Street
Chairman**

THE EDWARD GOSTLING FOUNDATION
TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of The Edward Gostling Foundation for the purposes of company law) are responsible for preparing the Trustees' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDWARD GOSTLING FOUNDATION

Opinion

We have audited the financial statements of The Edward Gostling Foundation ('the charitable company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, 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 charitable company group 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 Trustee's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDWARD GOSTLING FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the Trustees' report have 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report

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:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 21, 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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 AUDITORS' REPORT TO THE MEMBERS OF THE EDWARD GOSTLING FOUNDATION

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context for the UK operations were the Companies Act 2006, Charities Act 2011, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements.

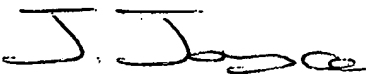
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the charitable company were Charity Commission regulations, Fire safety regulations, General Data Protection Regulation (GDPR) and Health and Safety regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Director about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading 28.6.22

THE EDWARD GOSTLING FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Income and endowments from:		
Investments		
- Income from properties including joint ventures	1,517,887	1,599,814
- Other investment income	2,247,578	2,455,088
- Other income (donation received)	-	10,000
Total income and endowments	<u>3,765,465</u>	<u>4,064,902</u>
Expenditure on:		
Raising funds:		
- Property operating costs	(513,209)	(716,974)
- Loan interest and bank charges	(948,022)	(930,333)
- Investment management fees and costs	(295,740)	(429,805)
	<u>(1,756,971)</u>	<u>(2,077,112)</u>
Net income available for charitable application	2,008,494	1,987,790
Charitable activities:		
- Grant making costs	(8,017,660)	(4,353,767)
- Impairment of Social Investment	-	(424,915)
Total expenditure	5 <u>(9,774,631)</u>	<u>(6,855,794)</u>
Net (expenditure) before investment gains/(losses)	(6,009,166)	(2,790,892)
Revaluation losses on investment properties	(800,000)	-
Gains/(losses) on listed investment assets	<u>3,901,518</u>	<u>9,850,949</u>
Net (loss)/income	(2,907,648)	7,060,057
Other recognised gains		
Fair value movement on derivative contracts	2,254,124	1,177,372
Actuarial gains/(losses) on defined benefit pension scheme	<u>126,000</u>	<u>(447,280)</u>
Net movement in funds	(527,524)	7,790,149
Reconciliation of funds		
Total funds brought forward at 1 April 2021	<u>104,951,319</u>	<u>97,161,170</u>
Total funds carried forward at 31 March 2022	<u>£104,423,795</u>	<u>£104,951,319</u>

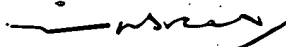
The notes on pages 28 to 47 form part of these financial statements

THE EDWARD GOSTLING FOUNDATION
CONSOLIDATED AND CHARITY BALANCE SHEETS
COMPANY REGISTRATION NUMBER: 03522188
31 MARCH 2022

	Notes	Group 2022 £	2021 £	Charity 2022 £	2021 £
FIXED ASSETS					
Tangible assets	8	501,331	516,363	501,331	516,363
Investments					
- Investment properties	9a	8,545,358	13,895,000	8,545,358	13,895,000
- Investments in subsidiaries	9b	-	-	20,440,264	20,440,264
- Programme related investments	9c	8,545,822	7,545,822	8,539,322	7,539,322
- Listed Investments	9d	84,362,204	85,127,476	84,362,204	85,127,476
		<u>101,954,715</u>	<u>107,084,661</u>	<u>122,388,479</u>	<u>127,518,425</u>
CURRENT ASSETS					
Programme related investments	9c	50,000	50,000	50,000	50,000
Assets held for sale	9e	3,737,900	-	3,737,900	-
Debtors	11	670,230	682,288	670,230	682,288
Cash at bank and in hand	10	6,494,591	5,976,361	6,491,258	5,973,028
		<u>10,952,721</u>	<u>6,708,649</u>	<u>10,949,388</u>	<u>6,705,316</u>
CREDITORS: Amounts falling due within one year	12	<u>(4,785,539)</u>	<u>(1,898,265)</u>	<u>(25,215,970)</u>	<u>(22,328,696)</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>6,167,182</u>	<u>4,810,384</u>	<u>(14,266,582)</u>	<u>(15,623,380)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>108,121,897</u>	<u>111,895,045</u>	<u>108,121,897</u>	<u>111,895,045</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(3,214,101)</u>	<u>(6,290,725)</u>	<u>(3,214,101)</u>	<u>(6,290,725)</u>
Net assets excluding pension liability		<u>£104,907,796</u>	<u>£105,604,320</u>	<u>£104,907,796</u>	<u>£105,604,320</u>
Pension Liability	15	<u>(484,001)</u>	<u>(653,001)</u>	<u>(484,001)</u>	<u>(653,001)</u>
NET ASSETS		<u>£104,423,795</u>	<u>£104,951,319</u>	<u>£104,423,795</u>	<u>£104,951,319</u>
UNRESTRICTED FUNDS					
Income and expenditure	14	92,501,179	98,384,345	77,448,177	83,331,343
Fair value reserve	14	11,922,616	6,566,974	26,975,618	21,619,976
		<u>£104,423,795</u>	<u>£104,951,319</u>	<u>£104,423,795</u>	<u>£104,951,319</u>

Included within the group results is a loss of £527,524 (2021: £7,790,149 gain) in respect of The Edward Gostling Foundation. There are no recognised gains or losses other than those reported above.

Approved and authorised for issue by the Trustees on 28 June 2022 and signed on their behalf by



M A Street
Chairman

The notes on pages 28 to 47 form part of these financial statements

THE EDWARD GOSTLING FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Net cash (used in)/ provided by operating activities:	16	(5,326,294)	(5,845,446)
Net cash from investing activities:			
Investment income		2,247,578	2,455,088
Interest paid		(948,022)	(930,333)
Sale of property, plant and equipment		-	332
Purchase of property, plant and equipment		(1,124)	-
Purchase of listed investments		(7,870,081)	(25,812,691)
Additions to investment properties		(30,358)	-
Sale of fixed asset investments		825,000	-
Profit from sale of fixed assets		34,660	-
Proceeds from sale of investments		12,516,788	22,827,600
Purchase of social investment		(1,000,000)	-
Movement in social investment loans		<u>50,000</u>	<u>50,000</u>
Net cash provided by (used in) / investing activities		<u>5,824,441</u>	<u>(1,410,004)</u>
Change in cash and cash equivalents in the reporting period		498,147	(7,255,450)
Cash and cash equivalents at the beginning of the reporting period		<u>6,539,341</u>	<u>13,794,791</u>
Cash and cash equivalents at the end of the reporting period		<u>£ 7,037,488</u>	<u>£ 6,539,341</u>
Cash and cash equivalents are represented by			
Cash at bank and in hand		6,494,591	5,976,361
Cash held with investment manager		<u>542,897</u>	<u>562,980</u>
		<u>£ 7,037,488</u>	<u>£ 6,539,341</u>
CHANGE IN MOVEMENT IN NET FUNDS			
		At 1 April 2021 £	Cash flow £
Cash at bank and in hand		5,976,361	518,230
Cash held with investment manager		<u>562,980</u>	<u>(20,083)</u>
Net Funds		<u>6,539,341</u>	<u>498,147</u>
			At 31 March 2022 £
			6,494,591
			542,897
			7,037,488

The notes on pages 28 to 47 form part of these financial statements

**THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. COMPANY INFORMATION

The principal activity of the charity is to assist those in poverty or who are aged and in need or who have a physical or mental disability. On 11th February 2019 the charity changed its name to The Edward Gostling Foundation. The charity (registered number 03522188 and charity number 1068617), is incorporated and domiciled in the UK. The address of the registered office is Suite 1, 61 Thames Street, Windsor, Berkshire, SL4 1QW.

2. ACCOUNTING POLICIES

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 in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Edward Gostling 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).

The Trustees have considered how COVID-19 could affect the accounting policies that underlie these financial statements, and have reviewed income budgets, asset valuations and made assessments regarding possible material uncertainties and the adequacy of disclosures. Following this review the Trustees consider that there are sufficient reserves at 31 March 2022 to manage any foreseeable downturn in the UK and global economy and that there is a reasonable expectation The Edward Gostling Foundation has adequate resources to continue in operational existence for the foreseeable future and for this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

b) Basis of consolidation

The consolidated accounts include the trading activities, assets and liabilities of the group subsidiary companies in accordance with the Charity SORP. Intra-group transactions have been eliminated on consolidation.

No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

c) Income

Rental income is accounted for on an accruals basis. Trading turnover is included on the basis of sales invoiced or work done in accordance with the terms of contract. All other income, including payments under Gift Aid, is accounted for under the accruals concept.

Deferred income exists due to the fact that property income is invoiced in advance for rents due.

d) Resources expended

Expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to that category. Costs are allocated on a direct cost basis.

Governance costs comprise the cost of running the charity, including external audit, legal, consulting and construction and statutory compliance costs.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

e) Liability recognition

Liabilities in respect of grants payable are only recognised when the Grant Committee approves the grant and the recipient has met all conditions for payment.

f) Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Where investment properties are held to be sold, the assets are reclassified as being current assets and included in the Balance Sheet at their open market values.

g) Programme related investments

Programme related investments are stated at the cost of investment less any recognised impairment.

h) Other tangible fixed assets

Depreciation is provided on other fixed assets, excluding freehold land, at rates calculated to write off their cost less estimated residual value over their useful economic lives as follows: -

Furniture and equipment	- 15-18% on a straight-line basis
Computer equipment	- 25-33% on a straight-line basis
Plant and machinery	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Assets under construction	- no depreciation

The capitalisation policy for the purchase of properties is to capitalise all the costs of purchase, any abortive costs are written off. For other fixed assets the capitalisation policy is set at £100.

Land and buildings are carried at fair value determined annually by external valuers.

i) Investments

Investments are stated at market value, or where no market value is readily available, at net asset value. Any changes on value are transferred to the fair value reserve. Realised gains are calculated based on net proceeds compared to the carrying amount and are credited or debited to reserves as appropriate.

j) Assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Refer to note 9e for the Trustee's assessment in classifying the investment properties as held for sale.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

k) Operating leases: The Charity as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

l) Reserves

Reserves represent unrestricted funds available for the future activities of the Charity.

m) Pension costs

The Edward Gostling Foundation participates in the Social Housing Pension Scheme (SHPS), and retirement benefits to employees are funded by contributions from all participating employers and employees in the scheme. The financial statements reflect at fair value the assets and liabilities arising from the Charities retirement benefit obligations and any relating funding.

A defined contribution pension scheme including an auto enrolment arrangement is also operated by The Edward Gostling Foundation with the pension charge representing the amounts payable by the Group to the fund in respect of the year.

n) Taxation

The Edward Gostling Foundation is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered Charities.

o) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 18 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments (excluding investment property), cash at bank and in hand and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and social security and other taxes.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. The charity does not currently apply hedge accounting for interest rate derivatives.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- Valuation of investment properties and fixed assets – the charity's land and buildings are stated at their estimated fair value based on professional valuations as disclosed in note 9a.
- Valuation of the Interest rate SWAP as disclosed in note 13.
- Impairment of the investment properties/asset held for sale as disclosed in note 9e.
- Assumptions used for the calculation of the pension scheme liability as disclosed in note 15.

4. GRANTS PAYABLE IN THE FURTHERANCE OF CHARITY OBJECTIVES

	2022 £	2021 £
Organisations	<u>7,433,235</u>	<u>3,746,519</u>
	<u>£ 7,433,235</u>	<u>£ 3,746,519</u>

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5. TOTAL EXPENDITURE

	Staff Costs £	Other costs £	Depreciation £	2022 Total £	2021 Total £
Expenditure on:					
Property operating costs	-	497,052	16,156	513,208	716,974
Loan interest and bank charges	-	948,022	-	948,022	930,333
Investment management fees and costs	<u>103,912</u>	<u>191,828</u>	<u>-</u>	<u>295,740</u>	<u>429,805</u>
	<u>103,912</u>	<u>1,636,901</u>	<u>16,156</u>	<u>1,756,970</u>	<u>2,077,112</u>
Charitable activities					
Grant making costs (note 4)	320,051	7,433,235	-	7,753,286	4,129,495
Support costs	264,374	-	-	264,374	224,272
Impairment of social investment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,915</u>
	<u>584,425</u>	<u>7,433,235</u>	<u>-</u>	<u>8,017,660</u>	<u>4,778,682</u>
Total expenditure	<u>£ 688,337</u>	<u>£ 9,070,136</u>	<u>£ 16,156</u>	<u>£ 9,774,630</u>	<u>£ 6,855,794</u>

Included within other costs are governance costs of £95,802 (2021: £96,043).

6. NET INCOME

	2022 £	2021 £
This is stated after charging:		
Group auditors' remuneration - Audit fees:		
- relating to parent company	26,750	25,450
- relating to corporation tax	1,000	950
Depreciation of tangible fixed assets	<u>16,156</u>	<u>31,289</u>

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7. STAFF NUMBERS AND EMOLUMENTS

Staff costs consist of:

	2022 £	Group 2021 £
Wages and salaries	555,313	757,620
Social security costs	70,299	93,621
Other pension costs	62,725	55,540
	<u>£ 688,337</u>	<u>£ 906,781</u>

The total average number of employees during the period was as follows:

	2022 Number	2021 Number
Administration/management	<u>7</u>	<u>8</u>
	<u>7</u>	<u>8</u>

The number of employees on a full-time equivalent basis was 4.05 (2021: 5.60).

The number of employees with total emoluments in excess of £60,000 (including taxable benefits but excluding pension scheme contributions):

	2022 Number	2021 Number
£90,000 - £100,000	1	1
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
£120,000 - £130,000	-	-
£200,000 - £210,000	-	1
£210,000 - £220,000	-	1
£220,000 - £230,000	1	-
£230,000 - £240,000	<u>-</u>	<u>-</u>

Two of the highest paid employees (2021: 3) were accruing benefits under defined benefit pension schemes at a cost of £17,027 (2021: £28,781).

Key management personnel include the Trustees and key management listed on page 2. Their aggregate remuneration (including company pension contributions and employers NI) was £504,794 (2021: £728,530).

Included within the total for staff costs is a redundancy payment of £nil (FY2020/21: £30,000).

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7. STAFF NUMBERS AND EMOLUMENTS (CONTINUED)

Trustees

	2022 £	2021 £
Emoluments (including pension costs and taxable benefits)	<u>£ 233,249</u>	<u>£ 215,356</u>

The highest paid director during the year received emoluments of £225,749 (2021: £214,0704). Further details of Trustee remuneration and benefits can be found in note 17.

During the year 1 Trustee (2021: 1) received reimbursed expenses in respect of travel and subsistence totalling £1,283 (2021: £412).

These payments are made under the legal authority of the Memorandum and Articles.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE ASSETS

Group and charity

	Land & Buildings £	Other equipment £	Total £
Cost			
At 1 April 2021	485,000	99,193	584,193
Additions	-	1,124	1,124
Disposals	-	-	-
Revaluation	-	-	-
At 31 March 2022	<u>485,000</u>	<u>100,317</u>	<u>585,317</u>
Depreciation			
At 1 April 2021	-	67,830	67,830
Charge for the year	-	16,156	16,156
Revaluation adjustment	-	-	-
Disposals	-	-	-
At 31 March 2022	<u>-</u>	<u>83,986</u>	<u>83,986</u>
Net book value			
At 31 March 2022	<u>£ 485,000</u>	<u>£ 16,331</u>	<u>£ 501,331</u>
<i>At 31 March 2021</i>	<u><i>£ 485,000</i></u>	<u><i>£ 31,363</i></u>	<u><i>£ 516,363</i></u>

The asset within Land and Buildings is the ground floor of Thames Street which is used as the head office. This was valued at 31 March 2022 by an independent valuer, CBRE Chartered Surveyors on an open market value basis.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9a. INVESTMENT PROPERTIES

Group and charity

	£
Cost/valuation	
At 1 April 2021	13,895,000
Additions	30,358
Revaluations	(800,000)
Disposals	(825,000)
Assets held for sale (note 9e)	(3,755,000)
	<hr/>
At 31 March 2022	<u>£ 8,545,358</u>
<i>At 31 March 2021</i>	<i><u>£ 13,895,000</u></i>

Properties were valued as at 31 March 2022 by CBRE, Chartered Surveyors. The historical cost at the year-end was £7,758,045 (2021: £13,934,686).

All of the above properties are Freehold Properties.

9b. INVESTMENTS IN SUBSIDIARIES

Charity	Subsidiaries
	£
Valuation	
At 1 April 2021	20,440,264
Impairment	-
Disposal	-
	<hr/>
At 31 March 2022	<u>£ 20,440,264</u>

The Edward Gostling Foundation owns the entire share capital of the following companies, the results of which have been consolidated into these financial statements.

Name	Type of business	Aggregate of share capital and reserves	Profit/(loss)
		£	£
ACG Rented Properties Plc*	Former Basepoint holding company, not trading	20,440,264	-

The registered office of the above company is Suite 1, 61 Thames Street, Windsor, SL4 1QW.

*This is a directly held company (registered number 02439673).

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9b. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In addition to the above The Edward Gostling Foundation owns the entire share capital of the following company which is treated as a programme related investment and is therefore not consolidated.

ACG Participacoes Ltda* - see note 9c

Dormant company:

Airways Housing Trust Plc - not trading
ACG Rented Properties Plc - not trading

All the companies within the group are incorporated in England and Wales under the Companies Act 2006 with the exception of ACG Participacoes Ltda which is incorporated in Brazil.

9c. PROGRAMME RELATED INVESTMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Fixed Assets				
Dame Hannah Rogers School Loan	350,000	350,000	350,000	350,000
Exeter Royal Academy Loan	500,000	500,000	500,000	500,000
Otterbourne Hill property	2,019,016	2,019,016	2,019,016	2,019,016
Launchpad Reading property	331,974	331,974	331,974	331,974
Brazilian Investment	1,162,686	162,686	1,156,186	156,186
Bournemouth property	545,378	545,378	545,378	545,378
Dame Hannah Rogers School	2,925,000	2,925,000	2,925,000	2,925,000
Blyth property	78,651	78,651	78,651	78,651
Bell Vue Crescent property	633,117	633,117	633,117	633,117
	8,545,822	7,545,822	8,539,322	7,539,322
Current Assets				
Dame Hannah Rogers School Loan	50,000	50,000	50,000	50,000
Total programme related investments	<u>£ 8,595,822</u>	<u>£ 7,595,822</u>	<u>£ 8,589,322</u>	<u>£ 7,589,322</u>

The Edward Gostling Foundation Group own R\$9,392,979 shares in ACG Participacoes Ltd which represents 100% of the share capital of that company. ACG Participacoes Ltd holds cash to be used for charitable purposes overseas. In the Trustees' opinion this investment should be accounted for as a programme related investment, as it is held to facilitate the Group to further its charitable objectives and not for financial gain.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9d. LISTED INVESTMENTS

	Group and Charity	
	2022	2021
	£	£
Investments of 1 April 2021	84,564,496	71,858,455
Additions	7,870,081	25,812,691
Disposals	(12,516,788)	(22,827,600)
Revaluations	<u>3,901,518</u>	<u>9,720,950</u>
Market value at 31 March 2022	83,819,307	84,564,496
Cash held with investment manager	<u>542,897</u>	<u>562,980</u>
	<u>84,362,204</u>	<u>85,127,476</u>

At the year end the following investments represented more than 5% of the total investments:

Charities Properties Fund	10%	9%
CCLA Charities Properties Fund	0%	8%
CCLA Charities Ethical Investment Fund	9%	4%
CCLA Charities Global Equity Income	9%	5%
Mayfair Capital Property Income Trust for Charities	0%	8%
Sarasin & Partners Climate Active Fund	4%	8%
Sarasin Income and Reserves Fund	<u>6%</u>	<u>6%</u>

Investments comprise:

	Group and Charity	
	2022	2021
	£	£
Fixed interest stocks	7,214,380	8,095,069
Property funds	9,040,557	21,163,954
Equity investments	67,564,370	55,305,473
Fixed term deposits and cash held	<u>542,897</u>	<u>562,980</u>
	<u>84,362,204</u>	<u>85,127,476</u>

9e. ASSETS HELD FOR SALE

	Group and Charity	
	2022	2021
	£	£
Assets held for sale at 1 April 2021	-	-
Investment properties transferred to held for sale	3,755,000	-
Impairment on estimated costs to sell	(17,100)	-
Assets held for sale at 31 March 2022	<u>3,737,900</u>	<u>-</u>

The year-end balance for assets held for sale, includes two properties that were listed for sale before 31 March 2022. This balance is made up of Flat 2, Thames Street, Windsor, with value included above of £855,000 and sales price of £855,000 and Basepoint, Southampton and Folkestone with value included above of £2,900,000 and sales price of £3,300,000. The Trustees estimate the costs to sell are £17,100.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

10. CASH AT BANK AND IN HAND

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	<u>6,494,591</u>	<u>5,976,361</u>	<u>6,491,258</u>	<u>5,973,028</u>

£1.15m (2021: £1.16m) of cash is held as security against the hedging contracts at 31 March 2022.
Refer to note 13 for further disclosure on the hedging contracts.

11. DEBTORS

	Group and Charity	
	2022	2021
	£	£
Trade debtors	84,823	33,558
Other debtors	576,830	643,988
Prepayments and accrued income	<u>8,577</u>	<u>4,742</u>
	<u>£ 670,230</u>	<u>£ 682,288</u>

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

12. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	23,570	13,234	23,570	13,234
Amounts owed to group undertakings	-	-	20,430,431	20,430,431
Other taxes and social security	59,724	51,498	59,724	51,498
Other creditors	77,851	3,729	77,851	3,729
Grants payable	4,412,154	1,578,676	4,412,154	1,578,676
Accruals and deferred income	212,240	251,128	212,240	251,128
	<u>£ 4,785,539</u>	<u>£ 1,898,265</u>	<u>£ 25,215,970</u>	<u>£ 22,328,696</u>

13. CREDITORS: Amounts falling due after more than one year

	Group and Charity	
	2022	2021
	£	£
Derivative contract	3,174,101	5,428,225
Grants payable	40,000	862,500
	<u>£ 3,214,101</u>	<u>£ 6,290,725</u>

The company has two hedging instruments in place, taken out in 2007, to protect itself against increases in interest rates in line with the group's interest rate management policy:

- £10m at 4.98% until August 2027, bank cancellable on an annual basis from August 2009
- £10m at 4.7% until September 2027, bank cancellable on an annual basis from September 2009.

The hedging instruments, which have been measured at fair value are recognised in the financial statements in accordance with FRS 102.

£1.15m (2021: £1.16m) of cash is held as security against the hedging contracts at 31 March 2022.

The Trustees expect that the hedges will remain in place until expiry in 2027.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

14. RESERVES

Group 2022

	Income and expenditure account £	Fair value reserve £	Total £
Reserve balances brought forward	98,384,345	6,566,974	104,951,319
Net expenditure	(6,009,166)	-	(6,009,166)
Gain on listed investments	-	3,901,518	3,901,518
Gain/(loss) on investment properties	-	(800,000)	(800,000)
Re-measurement of pension liability	126,000	-	126,000
Fair value movement on derivative contracts	-	2,254,124	2,254,124
Reserve balances carried forward	<u>92,501,179</u>	<u>11,922,616</u>	<u>104,423,795</u>

Charity 2022

	Income and expenditure account £	Fair value reserve £	Total £
Reserve balances brought forward	83,331,343	21,619,976	104,951,319
Net expenditure	(6,009,166)	-	(6,009,166)
Gain on listed investments	-	3,901,518	3,901,518
Gain/(loss) on investment properties	-	(800,000)	(800,000)
Re-measurement of pension liability	126,000	-	126,000
Fair value movement on derivative contracts	-	2,254,124	2,254,124
Reserve balances carried forward	<u>77,448,177</u>	<u>26,975,618</u>	<u>104,423,795</u>

Group 2021

	Income and expenditure account £	Fair value reserve £	Total £
Reserve balances brought forward	101,622,517	(4,461,347)	97,161,170
Net expenditure	(2,790,892)	-	(2,790,892)
Gain on investments	-	9,850,949	9,850,949
Gain on fixed assets	-	-	-
Re-measurement of pension liability	(447,280)	-	(447,280)
Fair value movement on derivative contracts	-	1,177,372	1,177,372
Reserve balances carried forward	<u>98,384,345</u>	<u>6,566,974</u>	<u>104,951,319</u>

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

14. RESERVES (CONTINUED)

Charity 2021

	<i>Income and expenditure account £</i>	<i>Fair value reserve £</i>	<i>Total £</i>
<i>Reserve balances brought forward</i>	86,569,515	10,591,655	97,161,170
<i>Net expenditure</i>	(2,790,892)	-	(2,790,892)
<i>Gain on investments</i>	-	9,850,949	9,850,949
<i>Gain on fixed assets</i>	-	-	-
<i>Re-measurement of pension liability</i>	(447,280)	-	(447,280)
<i>Fair value movement on derivative contracts</i>	-	1,177,372	1,177,372
<i>Reserve balances carried forward</i>	<u>83,331,343</u>	<u>21,619,976</u>	<u>104,951,319</u>

15. PENSION COMMITMENTS

The company participates in the Social Housing Pension Scheme (the Scheme), a multi- employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2021 to inform the liabilities for accounting year ends from 31 March 2022 to 28 February 2023 inclusive.

Contributions payable to the Scheme in the year were £105,725 (2021: £117,540).

The fair value movement on the pension liability was £126,000 (2021: £447,280).

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

15. PENSION COMMITMENTS (CONTINUED)

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2022 £'000	31 March 2021 £'000
Fair value of plan assets	2,977	2,933
Present value of defined benefit obligation	<u>(3,461)</u>	<u>(3,586)</u>
Surplus (deficit) in plan	<u>(484)</u>	<u>(653)</u>
Defined benefit asset (liability) to be recognised	(484)	(653)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2021 to 31 March 2022 £'000	Period from 31 March 2020 to 31 March 2021 £'000
Defined benefit obligation at start of period	3,586	2,682
Current service cost	47	55
Expenses	3	4
Interest expense	77	64
Member contributions	27	44
Actuarial losses/(gains) due to scheme experience	143	56
Actuarial losses/(gains) due to changes in financial assumptions	(291)	737
Actuarial losses/(gains) due to changes in demographic assumptions	(57)	13
Benefits paid and expenses	(74)	(69)
Defined benefit obligation at end of period	<u>3,461</u>	<u>3,586</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	Period from 31 March 2021 to 31 March 2022 £'000	Period from 31 March 2020 to 31 March 2021 £'000
Fair value of plan assets at start of period	2,933	2,401
Interest income	64	58
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	(79)	372
Employer contributions	106	127
Member contributions	27	44
Benefits paid and expenses	<u>(74)</u>	<u>(69)</u>
Fair value of plan assets at end of period	2,977	2,933

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was (£15,000) (2021: £430,000).

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

15. PENSION COMMITMENTS (CONTINUED)

Assets

	31 March 2022 £'000	31 March 2021 £'000
Global Equity	571	468
Absolute Return	119	162
Distressed opportunities	107	85
Credit relative value	99	92
Alternative risk premia	98	110
Fund of hedge funds	-	-
Emerging market debt	87	118
Risk sharing	98	107
Insurance linked security	69	70
Property	80	61
Infrastructure	212	196
Private debt	76	70
Opportunistic Illiquid credit	100	75
High yield	26	88
Opportunistic Credit	11	80
Cash	10	-
Corporate bond fund	199	173
Liquid credit	-	35
Long lease property	77	57
Secured income	111	122
Liability driven investment	831	746
Currency Hedging	(12)	-
Net current assets	8	18
Total assets	<u>2,977</u>	<u>2,933</u>

Key Assumptions

	31 March 2022 % per annum	31 March 2021 % per annum
Discount rate	2.79	2.15
Inflation (RPI)	3.59	3.29
Inflation (CPI)	3.20	2.86
Salary growth	4.20	3.86
Allowed for commutation of pension for cash at retirement	75% of maximum allowed	75% of maximum allowed

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies

	Life expectancy at age 60 (Years)	Life expectancy at age 60 (Years)
Male retiring in 2022	21.1	21.6
Female retiring in 2022	23.7	23.5
Male retiring in 2042	22.4	22.1
Female retiring in 2042	25.2	25.1

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

16. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	(527,524)	7,190,149
Depreciation	16,156	31,289
Investment income	(2,247,578)	(2,455,088)
Interest paid	948,022	930,333
Net (gain)/loss on investments	(3,901,518)	(9,850,949)
Revaluation on investment properties	800,000	415,282
Impairment loss relating to estimate sales costs	17,100	-
(Profit)/loss on sale of property, plant and equipment	(34,660)	2,152
Decrease in debtors	(37,941)	69,610
Decrease in creditors	(358,351)	(2,778,224)
Net cash provided by/ (used in) operating activities	£ (5,326,294)	£(5,845,446)

17. TRUSTEE REMUNERATION AND BENEFITS

During the year the following amounts have been paid to Trustees in their operational capacities.

	2022 £	2021 £
Colin Clarkson: Remuneration	<u>-</u>	<u>1,286</u>
Denis Taylor (Executive Trustee): Remuneration	<u>225,749</u>	<u>214,070</u>
Christine Erwood: Remuneration	<u>7,500</u>	<u>-</u>

These payments were made under the legal authority of the charity's Memorandum and Articles of Association.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

18. FINANCIAL INSTRUMENTS

Group

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through the Statement of Financial Activities	<u>92,907,561</u>	<u>99,022,476</u>
Financial liabilities		
Financial liabilities measured at fair value through the Statement of Financial Activities	<u>3,174,101</u>	<u>5,428,225</u>

Charity

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through the Statement of Financial Activities	<u>92,907,561</u>	<u>99,022,476</u>
Financial liabilities		
Financial liabilities measured at fair value through the Statement of Financial Activities	<u>3,174,101</u>	<u>5,428,225</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, and accruals excluding deferred income and social security and other taxes.

Financial liabilities measured at fair value comprise interest rate swaps.

Financial assets measured at fair value comprise listed investments and investment properties.

THE EDWARD GOSTLING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19. OPERATING LEASES: THE CHARITY AS LESSOR

The group earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the group had contracted with tenants to receive the following future minimum lease payments:

Group	2022	2021
	£	£
Not later than 1 year	1,250,051	1,039,887
Later than 1 year and not later than 5 years	3,401,194	3,827,356
Later than 5 years	<u>14,715,707</u>	<u>14,903,573</u>
	<u>19,366,952</u>	<u>19,770,816</u>
Charity	2022	2021
	£	£
Not later than 1 year	1,250,051	1,039,887
Later than 1 year and not later than 5 years	3,401,194	3,827,356
Later than 5 years	<u>14,715,707</u>	<u>14,903,573</u>
	<u>19,366,952</u>	<u>19,770,816</u>

20. RELATED PARTY TRANSACTIONS

C Erwood was appointed as a Trustee of Dame Hannah Rogers Trust on 15 June 2020, a charity in which The Edward Gostling Foundation has a social investment. Total property income in the year was £255,607 (2021: £241,032). There was also a social investment loan outstanding in respect of the Dame Hannah Rogers Trust at year end of £400,000 (2021 (restated): £450,000).

C Erwood also received trustee expenses in the year to 31 March 2022 which totalled £1,283 (2021: £412) in respect of travel and subsistence.

S O'Sullivan, a Trustee of The Edward Gostling Foundation, provided legal services to ACG Participacoes Ltda, a 100% owned subsidiary of The Edward Gostling Foundation, in the year to 31 March 2022 which totalled £14,260 (2021: £1,069). There was a balance of £nil (2021: £1,069) outstanding as at 31 March 2022.

21. COMMITMENTS

At the year end, the Foundation had a contracted capital commitment of £nil (2021: £nil).

**THE EDWARD GOSTLING FOUNDATION
DETAILED SCHEDULE OF GRANTS AWARDED
FOR THE YEAR ENDED 31 MARCH 2022**

Grants awarded for £10,000 and above:

Organisations	2022 £	2021 £
A Way Out	16,000	-
ABF The Soldiers' Charity	25,000	25,000
Age Concern North Norfolk	10,000	-
Age UK Norwich	25,000	-
Age UK Teeside	-	25,000
Alice (Relief of Poverty and Advancement of Community)	25,000	-
Ambitious about Autism	10,000	-
Amy and Friends	10,000	-
Applecast	25,000	-
Bedfordshire and Luton Community Foundation	-	10,000
Blackburn Youth Zone	-	10,000
Blind in Business	10,000	-
Brain and Spinal Injury Centre	-	10,000
Brendoncare Clubs	10,000	-
Bridge Care	25,000	-
Buddy Bear Trust	250,000	10,000
BUILD Charity Ltd	10,000	-
Buttle UK	250,000	25,000
Buzzer Buses (Dial-a-Ride) Ltd	10,000	-
Calvert Trust Exmoor	-	10,000
Calvert Trust Keswick	-	10,000
Cancer Campaign in Suffolk	10,000	-
Care in Mind	10,000	-
Caritas Anchor House	25,000	-
Cathays and Central Youth and Community Project	-	10,000
Cerebral Palsy International Sports and Recreation Association (CPISRA)	10,000	-
Cerebral Palsy Scotland	10,000	-
CHEXS	18,872	-
Children Today Charitable Trust	10,000	-
Clydesdale Community Initiatives	-	10,000
Community Drug and Alcohol Recovery Services	12,000	-
Connects & Co	10,000	-
CPotential	25,000	-
Crossroads North Argyll	10,000	-
Croydon Voluntary Association for the Blind (Aka Croydon Vision)	-	10,000
Derbyshire Carers Association	10,000	-
Disablement Association of Barking & Dagenham (DABD)	10,000	-
Discover U	10,000	-
Diverse Abilities	-	20,000
Docklands Sailing Centre Trust	-	10,000
East Northamptonshire Faith Group	10,000	-

THE EDWARD GOSTLING FOUNDATION
DETAILED SCHEDULE OF GRANTS AWARDED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Enrych	-	10,000
Essex Dementia Care (EDC)	-	10,000
ESTEEM	25,000	-
Families United Network	10,000	-
Family Fund	1,025,000	25,000
Family Support Derbyshire	20,000	-
Florence Nightingale Aid in Sickness Trust	250,000	25,000
Follow Your Dreams Charity	-	10,000
Friends of the Elderly	1,000,000	-
Give a Dog a Bone... and an animal a home	10,000	-
Giving World	25,000	10,000
Grampian Autistic Society	10,000	-
Halo Children's Foundation	10,000	-
Halow Project	-	10,000
Harlow Stroke Support-Rehab Centre	12,000	-
Headliners (UK)	24,831	-
Headway Norfolk & Waveney Ltd	10,000	-
Heel & Toe Children's Charity	15,000	-
Home-Start Clackmannanshire	10,000	-
Home-Start High Peak	10,000	-
HopScotch Children's Charity	23,206	-
Hospice of the Good Shepherd	-	10,000
HOUR Community	10,000	-
Independence at Home	1,000,000	10,000
Kangaroos Mid Sussex	10,000	-
Katharine House Hospice	18,000	-
Key Changes Music Therapy	15,000	-
Key Enterprises (1983) Limited	-	20,000
Kingston Carers' Network	25,000	-
L'Arche	10,000	-
Launchpad Reading	-	10,000
Lifecentre	20,000	-
Lifelites	250,000	10,000
Little Gate Farm	20,000	-
Little Miracles Charitable Incorporated Organisation	24,272	-
Living Paintings	-	10,000
Longfield Hospice Care	15,000	-
Macmillan Caring Locally	10,000	-
MAIN	-	10,000
Meanwood Valley Urban Farm	-	10,000
Meningitis Research Foundation	10,000	-
Merlin MS Centre	25,000	-
Middlesex Association for the Blind	25,000	-
Minstead Trust	-	25,000
Multiple Sclerosis Therapy Centre NW	-	10,000
Musical Keys	10,000	-
Mustard Tree	-	10,000
Narthex Sparkhill	10,000	-
Newlife The Charity for Disabled Children	25,000	-
No5 Young People	25,000	-

THE EDWARD GOSTLING FOUNDATION
DETAILED SCHEDULE OF GRANTS AWARDED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Noah's Ark Children's Hospice	-	10,000
North Norfolk Community Transport	10,000	-
Northumberland County Blind Association	-	25,000
Oakfield Enterprise	-	10,000
Oakleaf Enterprise	25,000	-
Oasis Lords Hill (Running name Southampton City Farm)	10,000	-
Open Door Exmouth	10,000	10,000
Parkinsons UK	10,000	-
Phab Ltd	15,000	-
Purple Patch Arts	25,000	-
Rainbow Trust Children's Charity	10,000	20,000
RAW Workshop	10,000	-
Reach Learning Disability	50,000	-
Read for Good	-	10,000
Royal Air Forces Association	20,000	-
Sebastian's Action Trust	100,000	-
Sheltered Work Opportunities Project	-	10,000
SPEAR London	10,000	-
Sport 4 Life UK	15,000	-
St Mary's Church, Bourne Street	50,000	-
St Mary's Secret Garden	10,000	-
Stick 'n' Step	-	10,000
Stroud Court Community Trust	25,000	-
Stuart Low Trust	12,000	-
Sunshine Wishes Children's Charity	10,000	-
Surrey Care Trust	-	10,000
Team Rubicon UK	-	10,000
Tees Valley Community Foundation	-	50,000
Thames Hospice	146,000	-
The Association for the Rehabilitation of Communication and Oral Skills (ARCOS)	15,000	-
The Autism Directory	-	10,000
The Blackthorn Trust	25,000	-
The Bodie Hodges Foundation	50,000	-
The Brainwave Centre	-	10,000
The Brendoncare Foundation	25,000	-
The east to west Trust	13,000	-
The Eric Liddell Centre	15,000	-
The Gellideg Foundation Group	-	10,000
The Greenbank Project	-	10,000
The Helpful Bureau	10,000	-
The Hextol Foundation	10,000	10,000
The JPX Sussex Project	-	25,000
The Katherine Low Settlement	-	25,000
The Life Project (Bath)	10,000	-
The Living Paintings Trust	14,500	-
The Living Room	10,000	-
The Markfield Project Limited	10,000	-

THE EDWARD GOSTLING FOUNDATION
DETAILED SCHEDULE OF GRANTS AWARDED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Meath Epilepsy Charity	25,000	-
The Mount Camphill Community Limited	10,000	-
The People Hive	10,000	-
The Peter Pan Centre for Children with Special Needs	20,000	-
The Princess Alice Hospice	-	10,000
The Rainbow Centre	10,000	-
The Road to Recovery Trust	12,000	-
The Rose Road Association	21,282	15,000
The Shallowford Trust	25,000	-
The Speedwell Trust	25,000	-
The Stable Family Home Trust	-	10,000
The Yard	-	10,000
Trauma Breakthrough	22,775	-
Treetops Hospice Trust	10,000	-
Treloar Trust	65,000	-
Trust Links Ltd	-	10,000
TTVS	-	10,000
Turning the Red Lights Green	25,000	-
Watford Sheltered Workshop	25,000	10,000
Wellspring Therapy & Training	20,000	-
Wish	10,000	-
Woodlarks Camp Site Trust	-	10,000
Yately Industries For The Disabled	-	10,000
YMCA Exeter Community Projects	10,000	-
Young and Inspired	-	10,000
Young Gloucestershire	-	10,000
Youth Concern	25,000	-
Zoë's Place Baby Hospice	10,000	-
	<u>1,799,738</u>	<u>830,000</u>

THE EDWARD GOSTLING FOUNDATION
DETAILED SCHEDULE OF GRANTS AWARDED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Outstanding pledges		
Due within 1 year		
Individuals	-	-
Organisations	<u>530,500</u>	<u>1,578,676</u>
Total due within 1 year	<u>530,500</u>	<u>1,578,676</u>
Due greater than 1 year		
Organisations	<u>40,000</u>	<u>862,500</u>
Total due greater than 1 year	<u>40,000</u>	<u>862,500</u>
Total outstanding pledges	<u>570,500</u>	<u>2,441,176</u>