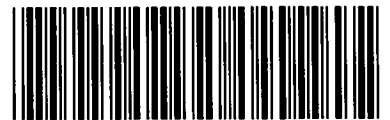


THE FOYLE FOUNDATION
ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021

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COMPANIES HOUSE

THE FOYLE FOUNDATION

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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THE FOYLE FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

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

Chief executive and company secretary

David Hall

Address and registered office

Rugby Chambers
2 Rugby Street
London
WC1N 3QU

Registered company number

4006216 (England and Wales)

Registered charity number

1081766

Accountants

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Independent auditor

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

Bankers

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

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Investment managers

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

Veritas Asset Management LLP
90 Long Acre
London
WC2E 9RA

The Charities Property Fund
Savills Investment Management LLP
33 Margaret Street
London
W1G 0JD

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

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

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

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

JP Morgan Private Bank
1 Knightsbridge
London SW1X 7LX

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Investment portfolio advisers

Stanhope Consulting
35 Portman Square
London
W1H 6LR

Property managers

George Eckert
66A High Street
East Finchley
London

Legal advisers

Withers LLP
20 Old Bailey
London
EC4M 7AN

Legal advisers – commercial property

Reed Smith LLP
Broadgate Tower
London
EC2A 2RS

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their Report and Financial Statements of the Foundation for the year ended 31 December 2021 and confirm that they comply with current statutory requirements and the requirements of the Foundation's governing documents.

History and Legal Status

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

Governance and Management

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

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

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

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

Setting Pay

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

Grant Making Objectives and Activities

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

The Trustees' policy for the year ended 31 December 2021 was to support charities registered in the United Kingdom. State-funded secondary and primary schools are eligible but applications from individuals and unregistered organisations will generally not be supported.

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

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Grant Making Objectives and Activities (continued)

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

The Main Grants Scheme supports charities operating in the Arts and Learning sectors which meet the criteria as described in the Guidelines for Applicants. Grants awarded range from £10,000 to a maximum of £500,000, with the majority of grants awarded being below £50,000. Within the Learning remit, The Foyle School Libraries Programme is a major initiative designed to support primary Schools, in the main, to improve reading ability and literacy. Grants awarded are between £2,000 and £10,000 per School. In addition, the Foundation operates a Small Grants Scheme which awards core and project funding to small and local charities.

Public Benefit

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

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

Arts – Main Grants Scheme

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

Learning – Main Grants Scheme

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

Small Grants Scheme

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

Achievements and Performance

Within the Main Grants Scheme 330 new grant applications were received during the year. In addition, there were 427 School Library applications and 549 Small Grants Scheme applications. 349 applications were brought forward from the previous year and 191 applications were carried forward at the end of the year to be presented at the next Board meeting.

The Trustees met 5 times during the year to consider grant applications. The Trustees approved 182 new Main Grants, 236 school library and 261 Small Grants totalling £7,759,450 in value, some of which will be paid out in subsequent financial years. A total of 664 grant payments was made which amounted to £9,400,900. Of the grants paid out 134 were Arts related totalling £4,348,500. There were 66 Learning related totalling £2,725,700 and 202 School Library grants totalling £1,100,500 and 262 were Small Grants totalling £1,226,200. Details of all grants paid out are listed on the Foundation's website. The Foundation has made financial commitments to support a number of organisations in the future subject to specific terms and conditions being met (see note 20).

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Financial Review

During the year the Foundation generated total income of £1,545,626 compared to £1,775,639 in 2020.

Total expenditure was £9,112,367 (2020 - £10,430,648) and 95% (2020 - 96%) was spent directly on charitable activities.

Investment income decreased to £1,478,211 compared to £1,708,224 in 2020.

The net movement on funds of the Charity after gains on investments was a decrease of £5,190,964 (2020: decrease of £8,508,881) with the result that the Charity's funds at 31 December 2021 amounted to £59,036,781 (2020: £64,227,745).

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

Investment Policy and Performance

The assets of the Foundation comprise a warehouse property, quoted investments and cash, all of which are professionally managed by specialist advisers on behalf of the Trustees, who also receive investment and asset allocation advice from Stanhope Consulting. No fund-raising activities have been undertaken, nor are any anticipated. Overall investments decreased in the year from £62,070,608 to £50,965,692.

Investment performance for the year was impacted by the increased grant-giving of the Foundation.

Reserves Policy

The assets that make up the Foundation's funds are unrestricted and accordingly they are also available as the general reserves. In addition to careful planning of the cash flow, so as to meet both grant commitments payable in the year and the administration expenditure the Foundation maintains a replenishing cash reserve of up to £9m to cover anticipated grant commitments over a 12-month rolling period. As at 31 December 2021 the charity had financial commitments in relation to grants totalling £110,000 to be paid in 2022 and £100,000 to be paid in 2023.

Risk Assessment

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

The principal risks considered are:

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

Plans for the Future

The Foundation's objectives are to support charitable activities across the UK. In furtherance of its objects the Foundation intends to increase its grants budget to £10.36m in 2022 from £9.87m in 2021.

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Impact of Covid 19

Due to the Covid 19 pandemic, the UK locked down again for a third time from early January 2021 until March 21. Again, The Foundation implemented its risk assessment planning and closed down the Foundation office with all staff home working until Government advice changed to allow return to offices in spring 21. In December 21 when Government advice changed again the office was closed and the staff team reverted to home working. Unlike the previous year, the online application process remained open throughout 2021.

Applications for large new capital grant applications were re-opened from July 2021.

Impact of Russian Invasion of Ukraine

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

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

Statement of Trustees' Responsibilities

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

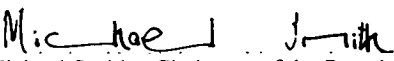
- select suitable accounting policies and then apply them consistently;
- observe the principles and methods of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the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

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

Statement of Disclosure to Auditor

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

ON BEHALF OF THE BOARD


Michael Smith - Chairman of the Board
Dated: 27 September 2022

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

Opinion

We have audited the financial statements of The Foyle Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of the Trustees' Responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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


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

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 28 September 2022

THE FOYLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2021

			2021		2020
	Note	£	£	£	£
Income and endowments from:					
Investments:					
Investments and interest	2		1,478,211		1,708,224
Property portfolio			67,415		67,415
Total			<u>1,545,626</u>		<u>1,775,639</u>
Expenditure on:					
Raising funds:					
Investment management costs		465,692		373,374	
			(465,692)		(373,374)
Charitable activities	3		(8,646,675)		(10,057,274)
Total			<u>(9,112,367)</u>		<u>(10,430,648)</u>
Net gains/(losses) on investments					
Realised gains on quoted investments	11	208,756		416,391	
Unrealised gains/(losses) on quoted investments	11	2,087,021		(270,263)	
Unrealised gain on investment property	10	80,000		-	
			<u>2,375,777</u>		<u>146,128</u>
NET MOVEMENT IN FUNDS IN YEAR			<u>(5,190,964)</u>		<u>(8,508,881)</u>
Reconciliation of funds:					
Funds brought forward			64,227,745		72,736,626
FUNDS CARRIED FORWARD	17		<u>59,036,781</u>		<u>64,227,745</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The deficit for the year for Companies Act purposes was £6,264,064 (2020 – £8,238,618).

The notes on pages 15 to 24 form an integral part of these accounts.

BALANCE SHEET

AT 31 DECEMBER 2021

	Note	£	2021	£	£	2020	£
Fixed assets							
Tangible fixed assets	9			43,135			43,939
Investments							
Investment property	10			900,000			820,000
Quoted investments	11			50,065,692			61,250,608
				<u>51,008,827</u>			<u>62,114,547</u>
Current assets							
Debtors	13		393,982		358,481		
Cash at bank and in hand	14		9,868,206		5,279,489		
			<u>10,262,188</u>		<u>5,637,970</u>		
Creditors: Amounts falling due within one year	15		<u>(2,234,234)</u>		<u>(3,404,772)</u>		
Net current assets				8,027,954			2,233,198
Creditors: Amounts falling due after one year	16		<u>-</u>		<u>(120,000)</u>		
				-			(120,000)
Net assets				<u>59,036,781</u>			<u>64,227,745</u>
Unrestricted funds							
General fund	17			39,731,652			43,223,248
Revaluation reserve	17			19,305,129			21,004,497
Total funds				<u>59,036,781</u>			<u>64,227,745</u>

The accounts were approved and authorised for issue by the Board on 27 September 2022.



Michael Smith - Trustee



James Korner - Trustee

The notes on pages 15 to 24 form an integral part of these accounts

THE FOYLE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	
Cash flows from operating activities:		
Net cash used in operating activities (note 18)	(9,966,756)	(7,176,667)
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,478,211	1,708,224
Purchase of fixed assets	(1,259)	(5,124)
Purchase of investments	(7,172,420)	(6,542,268)
Proceeds from sale of investments - quoted	20,250,941	8,566,225
Total	<u>14,555,473</u>	<u>3,727,057</u>
 Change in cash equivalents in the year	 4,588,717	 (3,449,610)
Cash and cash equivalents		
At the beginning of the year	<u>5,279,489</u>	<u>8,729,099</u>
At the end of the year (see note 14)	<u><u>9,868,206</u></u>	<u><u>5,279,489</u></u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

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

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2018) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b. Company status

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

c. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets. Investment income was lower during 2021, however the charity has significant unrestricted reserves and will be able to meet all liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

d. Tangible fixed assets

Tangible fixed assets are held at cost less accumulated depreciation.

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

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

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

e. Investment properties

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

f. Investments

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

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

g. Funds

The different funds are defined as follows:

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

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

h. Income recognition

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

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

i. Expenditure

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

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

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

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

j. Creditors and provisions

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

k. Investment gains and losses

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

l. Pension Scheme

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

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

m. Cash at bank and in hand

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

n. Debtors

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

o. Significant judgments and sources estimation uncertainty

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

p. Financial instruments

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

2. INVESTMENT INCOME AND INTEREST

	2021	2020
	£	£
Income from quoted investments	1,478,012	1,707,773
Interest received	199	451
	<hr/>	<hr/>
	1,478,211	1,708,224
Property portfolio income	67,415	67,415
	<hr/>	<hr/>
	1,545,626	1,775,639
	<hr/>	<hr/>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. ANALYSIS OF CHARITABLE EXPENDITURE				2021	2020
				£	£
Charitable donations:					
Paid in the year				9,403,900	6,749,600
Grants returned in the year				(3,000)	(12,200)
Accruals brought forward				(3,431,900)	(650,800)
Accruals carried forward				2,136,950	3,431,900
				<u>8,105,950</u>	<u>9,518,500</u>
Support costs (note 4)				487,031	492,784
Governance costs (note 5)				53,694	45,990
				<u>8,646,675</u>	<u>10,057,274</u>
Charitable expenditure – analysed as follows:					
	Grants	Support	Governance	2021	2020
	£	Costs	Costs	Total	Total
		£	£	£	£
Arts	3,515,750	211,370	23,157	3,750,277	4,909,294
Learning	3,418,200	205,504	22,514	3,646,218	3,997,128
Small grants	1,172,000	70,461	7,719	1,250,180	1,150,852
	<u>8,105,950</u>	<u>487,335</u>	<u>53,390</u>	<u>8,646,675</u>	<u>10,057,274</u>
4. SUPPORT COSTS				2021	2020
				£	£
Staff costs (including pension)				385,403	368,964
Rent				36,000	36,000
Rates, service charges and insurance				26,298	48,410
Communication costs				878	4,465
Equipment maintenance and computer support				31,519	23,491
Office services				4,586	8,813
Miscellaneous				37	40
Bank charges				247	272
Depreciation				2,063	2,329
				<u>487,031</u>	<u>492,784</u>
5. GOVERNANCE COSTS				2021	2020
				£	£
Trustees' expenses				3,128	867
Accountancy fees				12,540	16,936
Auditor's remuneration				20,476	22,293
Legal and professional fees				17,550	5,894
				<u>53,694</u>	<u>45,990</u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. NET EXPENDITURE	2021	2020
	£	£
Net expenditure is stated after charging:		
Trustees' expenses	3,128	867
Depreciation	2,063	2,329
Auditor's remuneration	20,476	22,293
Operating lease rentals-other operating leases	36,000	36,000

7. TRUSTEES' REMUNERATION AND EXPENSES

The five Trustees received no remuneration during the year (nor in the previous period) but were reimbursed £3,128 for travel and out of pocket expenses (2020: £867).

8. STAFF WAGES	2021	2020
	£	£
Wages	329,045	321,230
Social security costs	37,725	35,653
Pension costs	22,633	14,853
Employment allowance	(4,000)	(2,772)
	<u>385,403</u>	<u>368,964</u>

Average number of employees was 7 and equivalent to 4.8 on a full time basis (this is for both 2021 and 2020):

	Number	Number
Trustees	5	5
Administration	7	7

The number of employees whose emoluments exceeded £60,000 for the year were:

£130,001 - £140,000	1	1
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Salaries and benefits paid to key management personnel was £208,533 (2020: £229,385).

The pension contribution to the highest paid employee was £10,000 (2020: £10,000).

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2021	89,092	85,621	57,776	232,489
Additions	-	539	720	1,259
At 31 December 2021	<u>89,092</u>	<u>86,160</u>	<u>58,496</u>	<u>233,748</u>
Depreciation				
At 1 January 2021	89,092	46,916	52,542	188,550
Charge for the year	-	574	1,489	2,063
At 31 December 2021	<u>89,092</u>	<u>47,490</u>	<u>54,031</u>	<u>190,613</u>
Net Book Value				
At 31 December 2021	<u>-</u>	<u>38,670</u>	<u>4,465</u>	<u>43,135</u>
At 31 December 2020	<u>-</u>	<u>38,705</u>	<u>5,234</u>	<u>43,939</u>

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

10. INVESTMENT PROPERTIES

	2021 £	2020 £
At 1 January and 31 December 2021	<u>900,000</u>	<u>820,000</u>
	2021 £	2020 £
Investment value brought forward	820,000	820,000
Revaluation gain	80,000	-
Investment value carried forward	<u>900,000</u>	<u>820,000</u>

The remaining commercial property was revalued to its open market value at 31 December 2021 by George Eckert Independent Chartered Surveyors and was valued at £900,000.

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

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. QUOTED INVESTMENTS	2021 £	2020 £
Market value at 1 January 2021	61,250,608	63,439,234
Additions at cost	7,172,420	6,542,268
Disposal proceeds	(20,250,941)	(8,566,225)
Realised gains on sales	208,756	416,391
Investment managers' fees	(402,172)	(310,797)
Unrealised gains/ (losses) on revaluation	2,087,021	(270,263)
	<u>50,065,692</u>	<u>61,250,608</u>
Market value at 31 December 2021	50,065,692	61,250,608
Cost at 31 December 2021	<u>31,265,563</u>	<u>40,671,113</u>
Analysis of investments by type:		
Investments inside the UK		
Listed unit trusts	31,200,811	37,918,430
Quoted shares	10,926,987	12,270,218
	<u>42,127,798</u>	<u>50,188,648</u>
Investments outside the UK (managed by overseas Fund Managers)	7,937,894	11,061,960
	<u>50,065,692</u>	<u>61,250,608</u>
12. FINANCIAL INSTRUMENTS	2021 £	2020 £
Financial assets measured by fair value	<u>50,065,692</u>	<u>61,250,608</u>
Financial assets measured by amortised cost	<u>72</u>	<u>72</u>
Financial liabilities measured by amortised cost	<u>8,647</u>	<u>12,106</u>

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

Financial assets measured at amortised cost include Other Debtors.

Financial liabilities measured at amortised cost include Other Creditors.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. DEBTORS	2021	2020
	£	£
Rent receivable	-	-
Other debtors	72	72
Prepayments and accrued income	393,910	358,409
	<u>393,982</u>	<u>358,481</u>
14. CASH AT BANK AND IN HAND	2021	2020
	£	£
Cash in hand	11	51
Cash at Bank	9,868,195	5,279,438
	<u>9,868,206</u>	<u>5,279,489</u>
15. CREDITORS: amounts falling due within one year	2021	2020
	£	£
Accrued grants to charities	2,136,950	3,311,900
Other taxes and social security	15,906	15,748
Other creditors	8,647	12,106
Accrued expenses	72,731	65,018
	<u>2,234,234</u>	<u>3,404,772</u>
16. CREDITORS: amounts falling after one year	2021	2020
	£	£
Accrued grants to charities	-	120,000
	<u>-</u>	<u>120,000</u>
17. MOVEMENT IN FUNDS		
	At	At
	1 January	31 December
	2021	2021
	£	£
Unrestricted funds:		
General fund	43,223,248	39,731,652
Revaluation reserve	21,004,497	19,305,129
	<u>64,227,745</u>	<u>59,036,781</u>
	Income/	Expenditure
	gains	Transfers
	£	£
	3,921,403	(9,112,367)
	-	(1,699,368)
	<u>3,921,403</u>	<u>-</u>

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

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(5,190,964)	(8,508,881)
Depreciation charges	2,063	2,329
Investment gains	(2,295,777)	(146,128)
Investment managers fees	402,172	310,797
Dividends, interest and rent for investments	(1,478,211)	(1,708,224)
Revaluation of property	(80,000)	-
(Increase)/decrease in debtors	(35,501)	64,808
(Decrease)/increase in creditors	(1,290,538)	2,808,632
	<u>(9,966,756)</u>	<u>(7,176,667)</u>
Net cash used in operating activities	<u>(9,966,756)</u>	<u>(7,176,667)</u>

19. LEASE COMMITMENTS

At 31 December 2021, The Foundation was committed to making the following payments under non-cancellable operating leases:

	2021	2020
	£	£
Operating leases payments due within the next year	30,000	15,000
Operating leases payments due between two to five years	90,000	-
	<u>120,000</u>	<u>15,000</u>

20. GRANT COMMITMENTS

The Charity is committed to the following grants:

	2021	Year in which payable
	£	
Arts	110,000	2022
Arts	100,000	2023
	<u>210,000</u>	

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

21. LARGE GRANTS PAYABLE IN THE YEAR

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

	2021
	£
Aberystwyth University	150,000
Birmingham Repertory Theatre	150,000
Corporation of the Hall of Arts and Science	100,000
Coventry City of Culture Trust	125,000
Cumbernauld Theatre	75,000
English Heritage Trust	150,000
Hall for Cornwall Trust	150,000
Help Musicians UK	100,000
Historic England Foundation	100,000
Institute of Contemporary Arts	200,000
Kilmartin Museum Company Limited	75,000
Leicester Arts Centre	100,000
Lord Leycester's Hospital	100,000
Musicians Benevolent Fund	100,000
National Galleries of Scotland	350,000
National Library of Scotland	125,000
North Music Trust	75,000
NPG – Inspiring People	200,000
Poetry Society	92,000
Ragged School Museum Trust	150,000
Royal Academy of Dance	75,000
Royal West of England Academy	100,000
Sadlers Wells Trust	75,000
SOAS University of London	100,000
Somerset House Trust	75,000
St Paul's Cathedral	75,000
The Handel House Trust Limited	75,000
The Royal Parks	100,000
The Salisbury and South Wiltshire Museum Trust	100,000
The Warburg Institute, University of London	150,000
Trinity Laban Conservatoire of Music and Dance	93,000

22. RELATED PARTIES

Trustees of the Foyle Foundation are also trustees of the following organisations which were awarded grants by The Foyle Foundation during the year. There were no balances outstanding at 31 December 2021 in respect of these grants.

	Grant awarded	
	2021	2020
	£	£
Earls Court Youth Clubs	10,000	20,000
National Brain Appeal	-	10,000
Royal National Theatre	-	125,000
	-----	-----
	10,000	155,000
	=====	=====