



Sirius Minerals Foundation Limited

Report of the Trustees and
Audited Financial Statements
for the year ended

31 May 2021

Registered Company Number: 08087609 (England and Wales)
Registered Charity Number: 1163127

Ashby Berry Coulsons
Chartered Accountants
Two Belgrave Crescent
Scarborough



Sirius Minerals Foundation Limited

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for the Year Ended 31 May 2021**

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Sirius Minerals Foundation Limited

**Reference and Administrative Details
for the Year Ended 31 May 2021**

Trustees	I C Swales J Flynn N Irving J Samuel M J Narey E Walmsley W B Woods D Archer G Edmunds R Hunt L Swain	Chair Appointed 23 November 2020 Appointed 21 April 2021 Appointed 9 March 2021 Appointed 29 April 2021 Resigned 17 February 2021 Resigned 23 November 2020 Resigned 28 February 2021 Resigned 21 October 2020
Chief Executive	Leah Swain	
Registered office	Resolution House Lake View Scarborough North Yorkshire YO11 3ZB	
Registered company number	08087609 (England and Wales)	
Registered charity number	1163127	
Auditors	Ashby Berry Coulsons Limited Statutory Auditor 2 Belgrave Crescent Scarborough North Yorkshire YO11 1UB	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	

Sirius Minerals Foundation Limited

Chairman's Report for the Year Ended 31 May 2021

I am pleased to present the Financial Statements and Accounts for the year ending 31st May 2021 on behalf of the Trustees of the Sirius Minerals Foundation. The Foundation aims to create a lasting legacy from the Woodsmith Mine being built in the North York Moors National Park with the processing facility at Redcar. We aim to support projects that are important to the people who live in our area of benefit and which can make a positive contribution to our local communities.

Like so many funders our plans have had to respond to the changing environment voluntary and community groups found themselves in due to the continuing Covid-19 pandemic. It was important to the Trustees that prioritised funding for organisations who were working hard at grassroots level to help individuals in their communities. We made a second tranche of small emergency grants totalling £27,000 to 6 food banks and community organisations across the area recognising their importance in supporting local people impacted by the coronavirus crisis. We contributed £25,000 to Two Ridings Community Foundation to establish the Scarborough Children and Young People Fund in response to the mental health crisis in young people which has worsened considerably as a result of the pandemic. Our contribution attracted match funding from the DCMS match funding challenge allowing 11 grants of £54,000 to be awarded to local groups. We made grants of £350,000 to 29 voluntary and community organisations to help them weather the negative impact of Covid-19 on their income, change their services to a virtual online offer for their beneficiaries, develop their digital capabilities and plan for further disruption and adaptation. Towards the end of the financial year we launched a new round of Covid-19 response funding to support projects that would focus on helping people in our community to regain their confidence and restart their lives. Finally, we continued to fund and monitor 7 local sports clubs through our participation in sport large capital grants, offering flexibility and grant extensions as Covid-19 impacted on their ability to deliver their building projects. This brings the total grants awarded to date to £1,263,000 for projects throughout Redcar and Cleveland, Whitby, Scarborough and the North York Moors National Park.

In April 2020 we were pleased to appoint the Foundation's first Chief Executive, Leah Swain, who joins us after a career in business start up support, public sector programme delivery and leading a regional Yorkshire charity. This is an exciting time for the Foundation as we test and trial grant making approaches over the next few years. Having staff capacity will allow us to be more responsive to local need and engage with local networks. We will take on further employees as we prepare to receive larger annual donations from Anglo American when the Woodsmith Mine goes into production.

With a number of Trustees coming to the end of their terms of office there was substantial change in the Board. I would like to place on record my thanks for the hard work and wisdom of the outgoing Trustees which enabled the Foundation to become well established. The new Trustees display a wide range of skills and experience and I am confident that the Foundation has a strong Board for the future.

We have plenty of listening and learning to do - to ensure we develop and shape spend plans that meet the needs of our local communities and inform our thinking as we look to create a longer term strategy for the Foundation. We are working to forge new relationships with a range of partners and get to know better our portfolio of grant funded organisations. The work of the Foundation is exciting - we can create positive, generational change with communities we support and although we are very much in the early years of our journey I am confident that the Foundation will develop into a key local funder which keeps local communities at the heart of our work and supports local people to make the changes they want to see.

**Ian Swales
Chair**

Sirius Minerals Foundation Limited

Report of the Trustees for the Year Ended 31 May 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2021. The trustees have adopted the provisions of 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 2019).

This report includes the directors' report required by company law.

Objectives and activities

The Foundation's objects are for the public benefit particularly in the area of benefit to:

- 1) advance education including by supporting projects and training that benefit people from the area of benefit by enhancing their skills;
- 2) promote the general health of the community;
- 3) advance environmental protection and improvement including by enhancing the local landscape;
- 4) provide and improve facilities in the interests of social welfare and leisure time occupation with the objective of improving the conditions of life for the residents; and
- 5) relieve those in need because of financial hardship by virtue of being out of work, particularly the long term unemployed, by helping them to gain skills.

The area of benefit is the area south of the river Tees and within the boundaries of Redcar and Cleveland Borough Council, Scarborough Borough Council and the North York Moors National Park.

The trustees are obliged to:

o exercise a preference for applying the charity's funds close to Anglo American's area of operations in the area of benefit; and

o only apply funds outside the area of benefit if the trustees pass a unanimous resolution in support of such an application of funds, and not to apply more than 25% of its annual budget in any one year outside the area of benefit.

At present, the trustees are fulfilling these objects by making grants to local organisations.

The Foundation does not raise funds from the general public.

Sirius Minerals Foundation Limited

Report of the Trustees for the Year Ended 31 May 2021

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities, and setting the grant making policy for the year.

In 2020/21 the trustees commenced the year by making the grant payments for the £350K of Covid-19 Recovery and Response grants that were awarded at the end of the previous year. Staying with Covid-19 funding the trustees repeated the small emergency grants to 6 food banks and community support organisations. The £27,000 was for core costs to allow these groups to support individuals needing help as a result of the pandemic, ranging from emergency food supplies to keeping isolated, vulnerable people connected. The Foundation contributed £25,000 to Two Ridings Community Foundation who were able to then secure the same amount in match funding from DCMS and contributions from other partners to create the Scarborough Children and Young People Fund. This fund awarded £54,000 in 11 grants to organisations who were working to help young people with mental health concerns. In addition, the Foundation was proactive and flexible in acknowledging that some existing grant holders might struggle to deliver projects that were agreed prior to the pandemic. We contacted all grant holders to check whether they were still able to deliver their projects or could usefully adapt their delivery of the project to better support people impacted by the pandemic.

The Foundation trustees were supported in the grant assessments by an external consultant with all grant recommendations being discussed and agreed by a small subgroup of Trustees prior to formal decisions being approved by the full Board.

Following the appointment of a Chief Executive a proposed spend plan for 2021/22 was discussed by the Trustees at the April 2021 Board meeting and feedback given that shaped the final plan, which featured a range of open grant rounds, reactive grant funds and development projects.

Achievement and performance

The trustees consider that the Foundation has operated effectively during a time of change and they have made their best effort to be a flexible and responsive funder, seeking to help local, grassroots organisations to support vulnerable individuals during the Covid-19 crisis. The trustees have proactively reviewed their 10 year funding plan and ensured they are spending significant sums while maintaining enough in reserve for the ongoing uncertainty of both the pandemic and the fluctuating date of the Woodsmith Mine going into production. The trustees are pleased that Anglo American continues to be supportive of the Foundation and made a £1m donation in March 2021, the second instalment of the £4m agreed by Anglo American in advance of revenue being generated from the Woodsmith Mine. Anglo American also kindly provides pro bono support in the shape of time from a number of their employees to support the Foundation with administration, finance and marketing and communication activities.

The Trustees have continued to exercise a degree of scrutiny over the effectiveness of the grants, but were aware they were reaching a point when further support would be needed to both monitor existing grants and develop new grant rounds. They made the decision in 2020 to recruit the Foundation's first Chief Executive and Leah Swain was appointed to the role in April 2021. The Chief Executive developed an annual operational plan and a spend plan for 2021/22.

Overall, the Trustees are pleased with the level of interest that is expressed in each of the advertised grant-making rounds and consider that the apportionment of grants is both fair and in keeping with the objects of the Foundation.

Sirius Minerals Foundation Limited

Report of the Trustees for the Year Ended 31 May 2021

Financial review

Summary

The Foundation held reserves of £2,660,105 at 31 May 2021. All funds were unrestricted and a ten year spend plan and five year projected income plan are revisited annually.

The Foundation's work is entirely reliant on income from Anglo American and income and capital returns from its investment portfolio. A further major payment to the Foundation of £1 million was received during the year, bringing the total contributions from the Woodsmith Mine project to £4 million, with a further two payments of £1 million each committed by Anglo American. This payment/donation is 'ex gratia' as it sits outside the formal grant agreement. On this basis there is no commitment for a percentage of the monies to be invested in medium term, low-risk funds.

Main events

Due to the uncertainty around the 2020/21 pandemic and Brexit, investment funds were held in a cash deposit account with CAF Bank during the period. In addition the Foundation has £100,000 invested with CCLA, a not-for-profit organisation that invests on behalf of public bodies and charities. Not all of the funds operated by CCLA are currently open to the Sirius Minerals Foundation.

At the end of the period total cash plus investments amounted to £2,654,003. These balances are held in line with the ten year plan outlined above.

Future activities

The trustees have reviewed the cash position of the Foundation and made a commitment to spend between £1m and £1.5m in the coming year, 2021/22. This increase in proposed spend takes account of the additional committed donations from Anglo American. We anticipate that our programme of work will include support for; local organisations to respond to the impact of Covid-19; young people with emotional wellbeing needs; climate change action projects; key community assets; and older people facing loneliness and increased frailty due to the pandemic. The trustees are also interested in exploring how we might support local people take on leadership roles in their community and deliver projects that meet neighbourhood level needs.

The Trustees will continue to also seek other projects and deserving causes for the receipt of grants that are in alignment with the Foundation's objectives.

Sirius Minerals Foundation Limited

Report of the Trustees for the Year Ended 31 May 2021

Structure, governance and management

Sirius Minerals Foundation Limited was incorporated as a company limited by guarantee on 29 May 2012. It is governed under its Memorandum and Articles of Association and was registered as a charity on 13 August 2015.

Under the Articles of Association, the membership of the charitable company comprises Anglo American and two Independent Members.

As set out in the Articles, the charity is managed by seven trustees, who are also directors of the company. Four of these trustees are appointed by the Independent Members and three by Anglo American. On appointment trustees are provided with information on the Foundation and on their role as charity trustees and company directors.

Four new trustees were appointed in this accounting period. They replaced Gareth Edmunds, David Archer and Richard Hunt, who had stood down having reached the end of their maximum 8 year appointment and Leah Swain who resigned from the Board in summer 2020 to avoid any conflict of interest once the Board decided to proceed with the recruitment of a Chief Executive as she had expressed an interest in applying to through the open recruitment process.

The new trustees appointed were Jonathan Samuel and William Woods as corporate trustees and Sir Martin Narey and Elizabeth Walmsley as independent trustees. These trustees bring new skills, experience and knowledge to the Board. We are grateful for all our trustees time, enthusiasm and energy and would like to thank them for their contribution to the work of the Foundation.

The Trustees held seven formal Board meetings that were supplemented by email discussions throughout the year. These were held on:

2 June 2020
9 July 2020
5 August 2020
21 October 2020
6 January 2021
17 February 2021
21 April 2021

The reports received at meetings enable the trustees to monitor major risks to which the Foundation is exposed so that necessary steps can be taken to manage those risks.

Statement of compliance with prevailing laws and regulations

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

Statement of trustees' responsibilities

The trustees (who are also the directors of Sirius Minerals Foundation Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Sirius Minerals Foundation Limited

**Report of the Trustees
for the Year Ended 31 May 2021**

Statement of trustees' responsibilities - continued

Company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the 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.

Statement of compliance with prevailing laws and regulations

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

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

Approved by order of the board of trustees on 26 January 2022 and signed on its behalf by:



I C Swales - Chair

**Report of the Independent Auditors to the Members of
Sirius Minerals Foundation Limited
for the Year Ended 31 May 2021**

Opinion

We have audited the financial statements of Sirius Minerals Foundation Limited (the 'charitable company') for the year ended 31 May 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**Report of the Independent Auditors to the Members of
Sirius Minerals Foundation Limited
for the Year Ended 31 May 2021**

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
Sirius Minerals Foundation Limited
for the Year Ended 31 May 2021**

Our 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 a Report of the Independent Auditors 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.

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

Our audit procedures include:

Performing audit work over the risk of grants being awarded to non bona fide recipients or outside the objects of the charity;

Reviewing minutes of meetings of those charged with governance;

Reviewing financial statement disclosures to assess compliance with applicable laws and regulations;

Enquiry of management and those charged with governance concerning potential litigation and claims.

We consider that these procedures, together with evidence acquired from our other audit work, provide an audit approach enabling a reasonable likelihood of detection of irregularities.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anne Mead BSc FCA (Senior Statutory Auditor)
for and on behalf of Ashby Berry Coulsons Limited
Statutory Auditor
2 Belgrave Crescent
Scarborough
North Yorkshire
YO11 1UB

Date:

Sirius Minerals Foundation Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 May 2021**

		2021 Unrestricted fund £	2020 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	1,000,000	1,006,782
Investment income	3	<u>58</u>	<u>566</u>
Total		1,000,058	1,007,348
 Expenditure on			
Raising funds	4	-	78
 Charitable activities	5		
General activities		12,074	2,971
Grant making		<u>407,824</u>	<u>329,205</u>
 Total		419,898	332,254
 NET INCOME		580,160	675,094
 Reconciliation of funds			
Total funds brought forward		<u>2,080,716</u>	<u>1,405,622</u>
 Total funds carried forward		<u>2,660,876</u>	<u>2,080,716</u>

The notes form part of these financial statements


Sirius Minerals Foundation Limited (Registered number: 08087609)

**Balance Sheet
31 May 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
Fixed assets			
Investments	12	100,932	100,874
Current assets			
Debtors	13	771	6,781
Cash at bank		<u>2,654,003</u>	<u>2,142,086</u>
		2,654,774	2,148,867
Creditors			
Amounts falling due within one year	14	(44,830)	(169,025)
Net current assets		<u>2,609,944</u>	<u>1,979,842</u>
Total assets less current liabilities		2,710,876	2,080,716
Provisions for liabilities	15	(50,000)	-
NET ASSETS		<u>2,660,876</u>	<u>2,080,716</u>
Funds			
Unrestricted funds		<u>2,660,876</u>	<u>2,080,716</u>
Total funds		<u>2,660,876</u>	<u>2,080,716</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 January 2022 and were signed on its behalf by:


.....
I C Swales - Chair

The notes form part of these financial statements

Sirius Minerals Foundation Limited

**Cash Flow Statement
for the Year Ended 31 May 2021**

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations 1	<u>511,917</u>	<u>706,111</u>
Net cash provided by operating activities	<u>511,917</u>	<u>706,111</u>
 Cash flows from investing activities		
Purchase of fixed asset investments	(58)	(566)
Interest received	<u>58</u>	<u>566</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
 Change in cash and cash equivalents in the reporting period	 511,917	 706,111
Cash and cash equivalents at the beginning of the reporting period	<u>2,142,086</u>	<u>1,435,975</u>
 Cash and cash equivalents at the end of the reporting period	 <u><u>2,654,003</u></u>	 <u><u>2,142,086</u></u>

The notes form part of these financial statements

Sirius Minerals Foundation Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 May 2021**

1. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	580,160	675,094
Adjustments for:		
Interest received	(58)	(566)
Decrease/(increase) in debtors	6,010	(6,781)
(Decrease)/increase in creditors	<u>(74,195)</u>	<u>38,364</u>
Net cash provided by operations	<u>511,917</u>	<u>706,111</u>

2. Analysis of changes in net funds

	At 1.6.20 £	Cash flow £	At 31.5.21 £
Net cash			
Cash at bank	<u>2,142,086</u>	<u>511,917</u>	<u>2,654,003</u>
	<u>2,142,086</u>	<u>511,917</u>	<u>2,654,003</u>
Total	<u>2,142,086</u>	<u>511,917</u>	<u>2,654,003</u>

The notes form part of these financial statements

Sirius Minerals Foundation Limited

Notes to the Financial Statements for the Year Ended 31 May 2021

1. Accounting policies

General information

Sirius Minerals Foundation Limited is a charitable company limited by guarantee and registered in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to make grants towards projects and individuals/organisations which meet the criteria set out in the charity's objects.

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Judgements and key sources of estimation uncertainty

The trustees consider that no judgements, apart from those involving estimates, have been made in the process of applying the above accounting policies which have had a significant effect on amounts recognised in the financial statements.

The trustees consider that no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have been made which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Fund comparatives

The charity has had only one, unrestricted, fund during the current and previous year therefore comparative information is available from the primary financial statements.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Sirius Minerals Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 May 2021

1. Accounting policies - continued

Donated services and facilities

No amount is included in the financial statements for volunteer time, including time spent by trustees in assessing and monitoring grants, in line with the SORP (FRS 102). Administrative support, for which no charge is made, is provided by Anglo American. Further detail is given in the Trustees' Annual Report.

Investment income receivable

Interest on funds held on deposit is included when 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.

Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Foundation. 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 one-year or multi-year 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 of the control of the Foundation.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted mid-market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

1. Accounting policies - continued

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated

Taxation

The charity is exempt from corporation tax on its charitable activities.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. In their view the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Donations and legacies

	2021 £	2020 £
Donations from Anglo American	1,000,000	1,000,000
Other donations	<u>-</u>	<u>6,782</u>
	<u><u>1,000,000</u></u>	<u><u>1,006,782</u></u>

3. Investment income

	2021 £	2020 £
Interest on investments	<u>58</u>	<u>566</u>

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

4. Raising funds

Investment management costs

	2021	2020
	£	£
Portfolio management	<u>-</u>	<u>78</u>

5. Charitable activities costs

	Direct Costs (see note 6) £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
General activities	9,483	-	2,591	12,074
Grant making	<u>-</u>	<u>396,741</u>	<u>11,083</u>	<u>407,824</u>
	<u>9,483</u>	<u>396,741</u>	<u>13,674</u>	<u>419,898</u>

Comparatives for charitable activities costs

General activities	-	2,971	2,971
Grant making	<u>318,078</u>	<u>11,127</u>	<u>329,205</u>
	<u>18,078</u>	<u>14,098</u>	<u>32,176</u>

6. Grants payable

	2021	2020
	£	£
Grant making	<u>396,741</u>	<u>318,078</u>

Grants paid during the year were made under the Foundation's First Covid Round, supporting Recovery & Response and Digital Transformation initiatives. In addition, a contribution was made to the Scarborough Children and Young People's Fund to for projects responding to the mental health crisis in young people and further small emergency grants were made to support the response to the Covid 19 pandemic. Grants awarded are summarised below.

Amount of grant	Number of recipients	Aggregate amount awarded £	Aggregate instalments paid in year £
First Covid Round			
£10,000 to £15,000	21	280,873	270,873
£5,000 to £9,999	9	60,205	45,991
£1,000 to £4,999	5	15,677	15,677

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

6. Grants payable - continued

Amount of grant	Number of recipients	Aggregate amount awarded £	Aggregate instalments paid in year £
Scarborough Children & Young People (with Two Ridings Community Foundation)			
£25,000	1	25,000	25,000
Special grants - Covid 19			
£10,000	1	10,000	10,000
£5,000 to £9,999	2	11,486	11,486
£1,000 to £4,999	3	6,000	6,000
Previous years' grants not taken up	—	(12,500)	—
Total	<u>42</u>	<u>396,741</u>	<u>385,027</u>

7. Support costs

	Management £	Governance costs £	Totals £
General activities	178	2,413	2,591
Grant making	<u>11,083</u>	—	<u>11,083</u>
	<u>11,261</u>	<u>2,413</u>	<u>13,674</u>
Comparatives for support costs			
General activities	500	2,471	2,971
Grant making	<u>11,127</u>	—	<u>11,127</u>
	<u>11,627</u>	<u>2,471</u>	<u>14,098</u>

Support costs, included in the above, are as follows:

Management

	General activities £	Grant making £	2021 Total activities £	2020 Total activities £
Grant publicity, assessment & monitoring	—	10,934	10,934	11,160
Travel and meetings	—	149	149	333
Bank charges	<u>178</u>	—	<u>178</u>	<u>134</u>
	<u>178</u>	<u>11,083</u>	<u>11,261</u>	<u>11,627</u>

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

7. Support costs - continued

Governance costs

	2021 General activities £	2020 Total activities £
Auditors' remuneration	2,400	2,400
Travel and subsistence	-	58
Sundry governance expenses	<u>13</u>	<u>13</u>
	<u>2,413</u>	<u>2,471</u>

8. Independent examiner's remuneration

	2021 £	2020 £
Audit and accounts preparation current year	<u>2,400</u>	<u>2,400</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Audit	<u>2,400</u>	<u>2,400</u>

10. Trustees' remuneration and benefits

No trustee received any remuneration, or other benefits during the year. (2020 - Nil)

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

10. Trustees' remuneration and benefits - continued

Trustees' expenses

No expenses were reimbursed to any trustee during the year (2020: £58 to one Trustee).

11. Staff costs

	2021	2020
	£	£
Wages and salaries	<u>8,144</u>	<u>-</u>
	<u>8,144</u>	<u>-</u>

The full time equivalent number of staff at 31 May 2021 was 1 (2020: 0).

The average monthly number of employees during the year was as follows:

	2021	2020
From April 2021	<u>1</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

12. Fixed asset investments

	Cash and settlements pending £
Market value	
At 1 June 2020	100,874
Additions	<u>58</u>
At 31 May 2021	<u>100,932</u>
Net book value	
At 31 May 2021	<u>100,932</u>
At 31 May 2020	<u>100,874</u>

Sirius Minerals Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2021**

13. Debtors: amounts falling due within one year

	2021	2020
	£	£
Other debtors	-	6,781
Prepayments and accrued income	<u>771</u>	<u>-</u>
	<u>771</u>	<u>6,781</u>

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	10,794
Grant creditors	42,430	155,831
Accrued expenses	<u>2,400</u>	<u>2,400</u>
	<u>44,830</u>	<u>169,025</u>

15. Provisions for liabilities

	2021	2020
	£	£
Provision for outstanding grants	<u>50,000</u>	<u>-</u>
		£
Balance brought forward		-
Grant offers for which timing is uncertain		<u>50,000</u>
Balance carried forward		<u>50,000</u>

16. Related party disclosures

A donation of £1,000,000 was made by Anglo American to the Foundation during the year.