

THE CHARLES GODWIN FOUNDATION

**TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
for the year ended 31 December 2021**

Charity No : 1050014

Prepared by :

IAN DALZELL LTD
Chartered Accountants
Broughton Lodge Mews
Field Broughton
Grange-over-Sands
Cumbria LA11 6HL

THE CHARLES GODWIN FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021

CONTENTS

Page

3 Information

4 Trustees' Annual Report

7 Independent Examiner's Report

8 Statement of Financial Activities

9 Balance Sheet

10-14 Notes to the Financial Statements

THE CHARLES GODWIN FOUNDATION

FOUNDATION INFORMATION

Charity Commission Registration Number :	1050014
HM Revenue & Customs Exemption Number :	XR9981
Trustees :	C R Godwin MBE, FCA * Mrs G J Godwin SRN R A Roberts BA (Hons), TEP, CTAPS Mrs P A Foulerton D R Godwin BSc (Hons), FCA * D P Godwin BSc (Hons), ACA, AITI * P I Jackman BSc (Hons) (elected 3 December 2021) * signifies being a member of the Investment Sub-Committee
Correspondence Address :	Greencroft Priest Lane Cartmel Cumbria LA11 6PT
Telephone :	015395 36566
Solicitors :	Gedye & Sons Chancery House Kents Bank Road Grange-over-Sands Cumbria LA11 7HD
Bankers :	Royal Bank of Scotland St Ann Street Manchester M60 2SS
Independent Examiner :	Ian Dalzell Ltd Broughton Lodge Mews Field Broughton Grange-over-Sands Cumbria LA11 6HL

THE CHARLES GODWIN FOUNDATION TRUSTEES' ANNUAL REPORT

The Trustees are pleased to present their twenty fifth Annual Report and the Financial Statements for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Foundation.

Creation

The charity was formed by a Trust Deed dated 30 September 1995 between Charles Richard Godwin, Gwendoline Janet Godwin, Richard Andrew Roberts and Patricia Ann Foulerton. The charity changed its name in 2021 from "The Charles Godwin Charitable Trust" to "The Charles Godwin Foundation".

The charity was registered with the Charity Commissioners under number 1050014 on 21 October 1995. HM Revenue & Customs have recognised the Foundation as a charity within the definition of Section 519 Income Tax Act 2007 in a letter dated 3 November 1995.

Objectives and Public Benefit Statement

The objectives of the Foundation are:

- to relieve persons who are in conditions of poverty and hardship and of distress arising therefrom and who are permanently or temporarily resident in any part of the United Kingdom
- to relieve persons in any part of the World who are suffering hardship as a result of drought, earthquake, flood or other natural disaster or who by reason of their social or economic conditions are in need of assistance
- to further the education (including physical training and musical training) of young people in any manner whatsoever
- to further the charitable works of any ex-servicemen's organisation
- to benefit in any way such other charitable institutions or charitable objectives as the Trustees may from time to time in their absolute discretion select.

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

Organisation

The Trustees who have served during the year and since the year-end are set out on page 3. Trustees are appointed by the Donor (C R Godwin). After the death of the Donor, new Trustees will be appointed by a majority of the remaining Trustees. The Trustees meet at least twice a year but there are subgroups which meet more frequently to assess grant applications, to interview individual grant applicants and to review the ongoing investment activities of the Foundation. These subgroups report to the full board of Trustees.

Grant Making Policy

The Foundation has established its grant making policy to achieve its objectives for the public benefit.

The Foundation invites applications for funding of projects through making itself known to potential candidates. Applicants are asked to provide a summary of their activities and project. The Foundation requests grantees to report on their projects. The present donation strategy is to support local individuals, local charities and smaller organisations in preference to the major national charities. When making donations to individuals, those individuals are expected to be making efforts of their own to help meet costs of their projects.

THE CHARLES GODWIN FOUNDATION
TRUSTEES' ANNUAL REPORT (continued)

Financial Review and Investment Policy

The Foundation received an initial cash donation of £100,000 in 1995 to be retained for investment. Further donations from the donor totalling £140,211 in cash and £315,949 in equities have since been received. Donations are invested and the value of those investments at 31 December 2021 was £778,852 (2020: £679,890). The income of the Foundation derives from dividends and interest received from these investments together with interest received on monies deposited with the Foundation's bankers. In 2021, investment income was £24,487 (2020: £20,245). The 2021 figure includes a special dividend of £3,160 made by a company following the disposal of its Asian business which has been treated as income of the Endowment Fund.

The Foundation has made grants totalling £16,781 in the year under review (2020: £14,854).

The Foundation's accumulated funds at 31 December 2021 totalled £807,959 (2020: £716,573).

The year ended 31 December 2021 was an extremely volatile one for quoted investments worldwide following the arrival of the Covid-19 pandemic in late February 2020. The ultimate result for the year were net unrealised gains of £47,245 (2020: losses £2,186). In addition, there was a realised loss of £2,166 of which £1,922 had been accounted for as unrealised in previous years. In all the circumstances, the overall unrealised gains achieved in 2021 has been a very satisfactory outcome.

On the income front, the Trustees were concerned to read in the Press that quite a few companies were considering reducing or cancelling their dividends. The Trustees decided to defer paying the grants to the regular beneficiaries until later in the year by which time the situation would have become clearer. Very few companies carried out their threats and dividend (not including a special dividend of £3,160) and interest income was just over 5% higher than the previous year. The amount of the Foundation's grants increased by nearly 13% to those of the previous year.

Investment Policy

There are no restrictions on the Foundation's power to invest. The investment strategy is set by an investment sub-committee and approved at a full meeting of the Trustees. The strategy is set within an overall policy which states that approximately 30% of the endowment fund is to be invested in mainly fixed interest funds and that approximately 70% be invested in equities or mainly equity based funds.

Further details of the Foundation's activities are contained in the attached financial statements.

Reserves policy

It is the policy of the Foundation to maintain unrestricted funds, which are the free reserves of the Foundation, at a level which equates to approximately one year's unrestricted expenditure. This provides sufficient funds to cover management and administration and to respond to emergency applications for grants which arise from time to time. Unrestricted funds were maintained at this level throughout the year.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Foundation faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees

The names of the Trustees are listed in the Foundation Information on page 3.

THE CHARLES GODWIN FOUNDATION
TRUSTEES' ANNUAL REPORT (continued)

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Foundation's 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 the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees

C R GODWIN MBE, FCA
Chairman

20 May 2022

THE CHARLES GODWIN FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE CHARLES GODWIN FOUNDATION

We report to the Trustees of The Charles Godwin Foundation on our examination of the financial statements for the year ended 31 December 2021 which are set out on pages 8 to 14.

Responsibilities and Basis of Report

As the Foundation's Trustees you are responsible for the preparation of the financial statements with the requirements of the Charities Act 2011 ("the Act").

We report in respect of our examination of the Foundation's financial statements carried out under section 145 of the Act and in carrying out our examination we have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

It is our responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to our attention.

Independent Examiner's Statement

We have completed our examination. We confirm that no material matters have come to our attention in connection with the examination giving us cause to believe that in any material respect:

1. accounting records were not kept in respect of the Foundation as required by 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

We have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ian R Dalzell MA FCA
on behalf of
IAN DALZELL LTD
Institute of Chartered Accountants in England & Wales
Broughton Lodge Mews
Field Broughton
Grange-over-Sands
Cumbria LA11 6HL

20 May 2022

THE CHARLES GODWIN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

		<i>Unrestricted Funds 2021 £</i>	<i>Endowment Funds 2021 £</i>	<i>Total 2021 £</i>	<i>Total 2020 £</i>
	Notes				
Income & Endowments from:					
Donations	2	-	39,617	39,617	42,308
Investments	3	21,327	3,160	24,487	20,245
		-----	-----	-----	-----
Total Income & Endowments		21,327	42,777	64,104	62,553
		-----	-----	-----	-----
Expenditure on:					
<i>Charitable Activities:</i>					
Grants Paid	4	16,781	-	16,781	14,854
<i>Governance Costs:</i>					
Management & Administration	5	1,016	-	1,016	529
		-----	-----	-----	-----
Total Expenditure		17,797	-	17,797	15,383
		-----	-----	-----	-----
Net Income before Transfers		3,530	42,777	46,307	47,170
Transfers between funds		-	-	-	-
		-----	-----	-----	-----
Net Income/(Expenditure) before Other Recognised Gains and Losses		3,530	42,777	46,307	47,170
Realised Gains/(Losses) on Investment Assets	7	-	(2,166)	(2,166)	-
Unrealised Gains/(Losses) on Investment Assets	7	-	47,245	47,245	(2,186)
		-----	-----	-----	-----
		-	45,079	45,079	(2,186)
		-----	-----	-----	-----
Net Movement in Funds		3,530	87,856	91,386	44,984
Fund Balance brought forward		18,360	698,213	716,573	671,589
		-----	-----	-----	-----
Fund Balance carried forward		21,890	786,069	807,959	716,573
		=====	=====	=====	=====

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The Notes on pages 10 to 14 form part of these financial statements

THE CHARLES GODWIN FOUNDATION

BALANCE SHEET
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed Assets :			
Investments	6	778,852	679,890
		-----	-----
Current Assets :			
Debtors		4,054	3,896
Cash at Bank		25,978	33,187
		-----	-----
		30,032	37,083
Creditors: Amounts falling due within one year :			
Accruals		(925)	(400)
		-----	-----
Net Current Assets		29,107	36,683
		-----	-----
Total Assets less Current Liabilities		807,959	716,573
		=====	=====
Endowment Funds :			
Balance at start		698,213	656,091
Net Movement in Fund for year		87,856	42,122
		-----	-----
Balance at end		786,069	698,213
		-----	-----
Unrestricted Funds :			
Balance at start		18,360	15,498
Net Movement in Fund for year		3,530	2,862
		-----	-----
Balance at end		21,890	18,360
		-----	-----
Total Foundation Funds		807,959	716,573
		=====	=====
Approved by the Board of Trustees on 14 May 2021 and signed on its behalf by:		-	

..... Trustee
C R GODWIN MBE FCA

The Notes on pages 10 to 14 form part of these financial statements

THE CHARLES GODWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

1. Accounting Policies

a) General Information and Basis of Preparation

The Charles Godwin Foundation is a charity established under a Trust Deed in England. The correspondence address is given in the Foundation Information on page 3 of these financial statements. The nature of the Foundation's operations and principal activities are given on pages 4 to 6 of the Trustees' Report.

The Foundation constitutes a public benefit entity as defined by FRS102. 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 (FRS102) issued on 16 July 2014 (as updated by Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The functional currency of the Foundation is sterling and amounts in the accounts are rounded to the nearest pound.

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.

b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes. The funds are made up of the annual income from the Foundation's investments less the grants made to beneficiaries and the expenses of running the Foundation. The Trustees may transfer surplus funds to endowment funds from time to time as they, in their absolute discretion, think fit.

Endowment funds represent those assets which must be held permanently by the Foundation, principally investments. The funds are made up of the donations from the donor, the realised and unrealised gains and losses of the Foundation's investments and the occasional transfer of funds from the unrestricted funds. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any realised capital gains or losses arising on the investments form part of the endowment funds, as do unrealised gains and losses on investments.

c) Income Recognition

All income is recognised in the Statement of Financial Activities (SoFA) when the Foundation is legally entitled to the income after any performance conditions have been met, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For donations to be recognised the Foundation will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Foundation and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and collective investments. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised when the Foundation's right to receive payment is established.

THE CHARLES GODWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

1. Accounting Policies (continued)

d) Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants payable; and
- Other expenditure represents those items not falling into the category above.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Other expenditure comprises management and administration costs for the running of the Foundation itself as an organisation. The Trustees consider that no allocation of these costs is practicable and that they should be shown separately in the financial statements.

e) Fixed Asset Investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Fair value is the closing market selling value at the balance sheet date.

When investments are sold, the realised gain is taken to be the disposal proceeds less the market value at the start of the period. This realised gain is shown in the Statement of Financial Activities. Where an investment is sold which has been revalued at market value in a previous financial period, the unrealised gain (or loss) is deducted (or added) (because it is now realised) from the unrealised gains brought forward (as shown in the Reconciliation of Movements in Unrealised Gains on Investment Assets (note 7). This part of the realised gain (or loss) is calculated by taking the cost of the shares disposed of on a first-in-first-out basis from the market value of the shares at the start of the financial period.

f) 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. The budgeted income and expenditure is sufficient with the level of reserves for the Foundation to be able to continue as a going concern.

2. Donations Received (all from C R Godwin)	2021	2020
	£	£
The donations received were all from the donor (Mr C R Godwin). They were all quoted company shares listed on the London Stock Exchange. Following acceptance of the gift from the Trustees, the shares were immediately sold at their request. The proceeds of sale were as follows:		
	39,617	42,308
	=====	=====

THE CHARLES GODWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

3. Investment Income	2021	2020
	£	£
Dividends Received (including special dividend treated as Endowment Fund income)	24,486	20,223
Interest Received	1	22
	-----	-----
	24,487	20,245
	=====	=====
 4. Grants Paid	 2021	 2020
	£	£
Barrow & Districts Society for the Blind (Younger Generations Project)	1,000	1,000
Blind Veterans UK (living in Cumbria)	1,000	500
Buttle UK (Poverty Relief for Young People in Cumbria)	500	500
Cartmel Primary School (Christmas Party)	-	365
Cartmel Priory School (Multi-Sports Site Appeal)	2,000	-
Combat Stress (Mental Welfare for Ex-Servicemen)	500	500
Cumbrian Community Foundation (Winter Warmth Fund)	500	500
Derian House Children's Hospice	1,000	1,000
Eden Valley Children's Hospice	1,000	1,000
English Touring Opera (Opera for children with special needs and disabilities)	500	-
Foster Parents Plan - Philippines	781	839
Friends of Grange Primary School (PA System Upgrade)	500	-
Grange Christmas Tree Appeal	-	100
Grange-over-Sands & District Concert Club	500	500
Grosvenor Chapel, Mayfair (Roof Appeal)	-	100
Happy Days	2,000	2,000
Invictus Games (Solo Atlantic Sponsorship)	-	1,000
Just Giving	-	150
Lake District Calvert Trust	500	-
McMillan Nurses	500	300
Olympics Event for Cartmel Peninsula Schools	-	500
St Mary's Hospice	2,000	1,500
Sedna Epic Expedition to the High Arctic (Sarah Neill)	-	500
Starlight Children's Foundation	2,000	2,000
	-----	-----
	16,781	14,854
	=====	=====
 5. Management & Administration	 2021	 2020
	£	£
Bank Charges	66	66
Legal Fees	36	36
Independent Examiner's Fees	400	400
Trustees' Dinner	489	-
Investment Managers' Fees	126	113
Loyalty Bonus from Investment Managers	(101)	(86)
	-----	-----
	1,016	529
	=====	=====

THE CHARLES GODWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

6. Investments

	No. Of Units/ Shares	Cost 2021 £	Market Value 2020 £	Market Value 2021 £	Valuation Change 2021 £
<u>Bonds & Fixed Interest Instruments:</u>					
Blackrock Charities UK Bond Fund	94,830.02	173,761	186,815	174,203	(12,612)
<u>Developed World Equities:</u>					
<u>Collective Investments:</u>					
Artemis Income (addition 17.843 units cost £44)	8,613.47	20,125	19,621	22,001	2,336
Blackrock Charities UK Equity Fund (addition 2,846.57 units cost £20,000)	47,327.64	210,435	287,125	338,582	31,457
F&C Investment Trust	3,762	25,011	29,532	34,911	5,379
Invesco Perpetual High Income Fund	2,284.47	9,000	6,864	7,583	719
Scottish Mortgage Investment Trust	4,405	25,022	53,212	58,983	5,771
		289,593	396,354	462,060	45,662
<u>Individual Companies:</u>					
Associated British Foods plc	214	4,990	4,854	4,280	(574)
Bunzl plc (addition 647 shares cost £15,009)	647	15,009		18,621	3,612
Diageo plc	573	14,989	16,588	23,098	6,510
Jackson Financial Inc (Demerger from Prudential 1 share for every 40 in Prudential)	21	318		651	333
Legal & General Group plc	7,520	20,013	19,981	22,334	2,353
M&G plc	858	1,400	1,707	1,710	3
NWF Group plc	10,000	12,650	19,000	20,400	1,400
Prudential plc (after Jackson Demerger £318)	858	8,283	11,570	10,905	(347)
Reckitt Benckiser Group plc (addition 79 shares cost £4,964)	79	4,964		4,998	34
Rolls Royce plc (Sold 1,239 shares cost £3,313, sale proceeds £1,147) (see Note a)			1,391		(244)
Royal Dutch Shell plc - A shares	437	10,004	5,677	7,083	1,406
Tesco plc (addition 4,912 shares cost £15,013)	4,912	15,013		14,235	(778)
Unilever plc	362	14,995	15,953	14,274	(1,679)
		122,628	96,721	142,589	12,029
Total		585,982	679,890	778,852	45,079

Note: The Valuation Change where units/shares have been added is calculated to include the cost of additions in the year.

- a) Rolls Royce shares sold. Cost £3,313. Value 2020 £1,391. Unrealised Loss for previous years now Realised £1,922 plus Realised Loss in 2021 £244. Total Realised Loss £2,166.

7. Reconciliation of Movements in Unrealised Gains/Losses on Investment Assets

	2021 £	2020 £
Unrealised Gains at Start	145,625	147,811
Add Unrealised Losses to Start in respect of disposals in year now realised	1,922	-
	147,547	147,811
Net Gains/(Losses) arising on revaluations in year net of realised loss (£244)	45,323	(2,186)
Unrealised Gains at End	192,870	145,625

THE CHARLES GODWIN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

8. Transactions with Trustees and Connected Persons

- a) Apart from the donations from one of the Trustees, there were no other transactions with Trustees or connected persons in the year ended 31 December 2021.
- b) An annual Trustees' Dinner is held as a mark of gratitude to the Trustees who give freely and generously of their time. The cost of the dinner is met by the Foundation. In 2020, the annual dinner was cancelled due to the Covid-19 pandemic.