

THE FOYLE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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FOR THE YEAR ENDED 31 DECEMBER 2023

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THE FOYLE FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	Michael Smith Sir Peter Duffell Roy Amlot, KC James Korner Dame Vikki Heywood DBE Jane Ellison
Chief executive and company secretary	David Hall
Address and registered office	Rugby Chambers 2 Rugby Street London WC1N 3QU
Registered company number	4006216 (England and Wales)
Registered charity number	1081766
Accountants	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Independent auditor	Forvis Mazars LLP 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Investment managers

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

Veritas Asset Management LLP
90 Long Acre
London
WC2E 9RA

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

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

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

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

JP Morgan Private Bank
1 Knightsbridge
London SW1X 7LX

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

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

THE FOYLE FOUNDATION

COMPANY INFORMATION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Investment portfolio advisers

Stanhope Consulting
35 Portman Square
London
W1H 6LR

Property managers

George Eckert
66A High Street
East Finchley
London

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

Legal advisers

Withers LLP
20 Old Bailey
London
EC4M 7AN

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Report and Financial Statements of the Foundation for the year ended 31 December 2023 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.

Since the accounting date, The Foundation had announced its intention to wind down its operations and close down with effect from 31 December 2025, as detailed on the Foundation website.

Governance and Management

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

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

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 2023 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 Meetings each year.

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Grant Making Objectives and Activities (continued)

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

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

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

Public Benefit

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

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

Arts – Main Grants Scheme

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

Learning – Main Grants Scheme

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

Small Grants Scheme

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

Achievements and Performance

Within the Main Grants Scheme 470 new grant applications were received during the year. In addition, there were 365 School Library applications and 581 Small Grants Scheme applications. 230 applications were brought forward from the previous year and 269 applications were carried forward at the end of the year to be presented at the next Board meeting in 2024.

The Trustees met 5 times during the year to consider grant applications. The Trustees approved 247 new Main Grants, 206 school library and 248 Small Grants totalling £20,169,724 in value (which include £7,500,000 of legacy grants), some grants will be paid out over 2023 2024 and 2025.

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and Performance (continued)

A total of 585 grant payments were made which amounted to £10,913,825. Of the grants paid out 131 were Arts related totalling £4,791,500. There were 71 Learning related totalling £3,724,100 and 178 School Library grants totalling £1,119,325 and 205 were Small Grants totalling £1,278,900. 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 these are included in grant accruals.

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 rise and the amount in grants to these areas has also increased.

Financial Review

During the year the Foundation generated total income from investments and properties £1,352,439 compared to £1,336,532 in 2022. Total expenditure was £21,175,261 (2022 - £11,711,128) and 99% (2022 - 96%) was spent directly on charitable activities.

The net movement on funds of the Charity after gain on investments was a decrease of £18,552,462 (2022: decrease of £14,085,632) with the result that the Charity's funds at 31 December 2023 amounted to £26,398,687 (2022: £44,951,149).

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 (sold in April 2023), 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.

In the first three quarters of 2023 some gains were realised when raising cash from investment sales to finance the forward 2024 cashflow requirement as planned expenditure will be in excess of income given the increased grant-making of the Foundation.

During the financial year, the value of the quoted investments decreased from £39,750,227 to £24,590,640. This decline is attributable to the disposal of investments managed by Rathbones.

Reserves Policy

The assets that make up the Foundation's funds are unrestricted and accordingly they are also available as the general reserves. In addition to careful planning of the cash flow, so as to meet both grant commitments payable in the year and the administration expenditure the Foundation maintain a replenishing cash reserve of up to £10m to cover anticipated grant commitments over a 12-month rolling period. As at 31 December 2023 the charity had financial commitments in relation to grants totalling £165,000 to be paid in 2024 and £3,825,000 to be paid in 2025 and £150,000 payable in 2026.

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 FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Risk Assessment continued

The Foundation maintains insurance policies to cover the principal areas of risk:

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

Plans for the Future

The Foundation's objectives remain to support charitable activities across the UK. The Foundation intends to increase its general grants budget to £11.41m in 2024 from £10.88m in 2023. In January 2024 the Foundation announced the long planned for closure of its grant making programmes by December 2025, following which it will wind up. The website has been updated with the cut off dates for final applications to each of its grant making schemes. In addition to its normal grant making, the Foundation will fund a series of important strategic legacy projects in 2024 and 2025 as part of its spend down.

The Foundation first reduced and then sold its entire equity portfolio between Autumn 2023 and early 2024. Its remaining assets comprise a quarterly reducing Bond Fund and cash.

As part of its budgetary considerations for the next 2 years, in addition to normal annual administration expenditure the Foundation has budgeted for additional closure related costs of £450,000 in 2025 to cover redundancy and other wind down costs.

Statement of Trustees' Responsibilities

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

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

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

THE FOYLE FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 required in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read "Michael Smith".

Michael Smith - Chairman of the Board

Dated: 24 September 2024

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 2023 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 2023 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.

Emphasis of matter – basis of preparation

We draw attention to note 1.c in the financial statements which explains that the trustees intend to wind down the charity and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1.c. Our opinion is not modified in respect of this matter.

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 and anti-money laundering regulation.

**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 Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 29 October 2024

THE FOYLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Note	£	£
Income and endowments from:			
Investments:			
Investments and interest	2	1,312,147	1,249,985
Property portfolio		40,292	86,547
Total		1,352,439	1,336,532
Expenditure on:			
Raising funds:			
Investment management costs		288,520	495,128
		(288,520)	(495,128)
Charitable activities	3	(20,886,741)	(11,216,000)
Total		(21,175,261)	(11,711,128)
Net gains/(losses) on investments			
Realised gains/(losses)	11	185,580	(1,964,958)
Unrealised gains/(losses) on quoted investments	11	279,780	(2,441,078)
Realised gain on investment property	10	805,000	-
Unrealised gain on investment property	10	-	695,000
		1,270,360	(3,711,036)
NET MOVEMENT IN FUNDS IN YEAR		(18,552,462)	(14,085,632)
Reconciliation of funds:			
Funds brought forward		44,951,149	59,036,781
FUNDS CARRIED FORWARD	16	26,398,687	44,951,149

The notes on pages 16 to 25 form an integral part of these accounts.

BALANCE SHEET

AT 31 DECEMBER 2023

	Note	£	2023	£	£	2022	£
Fixed assets							
Tangible fixed assets	9			42,573			44,447
Investments							
Investment property	10			-			1,595,000
Quoted investments	11			24,590,640			39,750,227
				<u>24,633,213</u>			<u>41,389,674</u>
Current assets							
Debtors	13	392,918			356,336		
Cash at bank and in hand	14	14,505,342			6,932,105		
				<u>14,898,260</u>		<u>7,288,441</u>	
Creditors: Amounts falling due within one year	15	(13,132,786)			(3,726,966)		
Net current assets				1,765,474			3,561,475
Net assets				<u>26,398,687</u>			<u>44,951,149</u>
Unrestricted funds							
General fund	16			26,398,687			39,896,755
Revaluation reserve	16			-			5,054,394
Total funds				<u>26,398,687</u>			<u>44,951,149</u>

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

The accounts were approved and authorised for issue by the Board on 24 September 2024



Michael Smith - Trustee



James Korner - Trustee

The notes on pages 16 to 25 form an integral part of these accounts

THE FOYLE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	
Cash flows from operating activities:		
Net cash used in operating activities (note 17)	(11,556,878)	(9,598,317)
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,324,227	1,249,985
Purchase of fixed assets	-	(3,810)
Purchase of investments	(5,052,838)	(12,302,207)
Proceeds from sale of investments – quoted	20,458,726	17,718,248
Proceeds from sale of investment property	2,400,000	-
Total	<u>19,130,115</u>	<u>6,662,216</u>
Change in cash equivalents in the year	7,573,237	(2,936,101)
Cash and cash equivalents		
At the beginning of the year	<u>6,932,105</u>	<u>9,868,206</u>
At the end of the year (see note 14)	<u><u>14,505,342</u></u>	<u><u>6,932,105</u></u>

Analysis of changes in net debt

	At 1 January 2023 £	Cashflow £	At 31 December 2023 £
Cash and cash equivalents	6,932,105	7,573,237	14,505,342
	<u>6,932,105</u>	<u>7,573,237</u>	<u>14,505,342</u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

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

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b. Company status

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

c. Preparation of the accounts on a going concern basis

In January 2024 the Foundation announced the closure of its grant making programmes by December 2025 following which it will wind up. These financial statements have been prepared on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the 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.

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 to 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 2023

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

	2023 £	2022 £
Income from quoted investments	1,058,129	1,236,504
Interest received	254,018	13,481
	<hr/>	<hr/>
	1,312,147	1,249,985
Property portfolio income	40,292	86,547
	<hr/>	<hr/>
	<u>1,352,439</u>	<u>1,336,532</u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. ANALYSIS OF CHARITABLE EXPENDITURE				2023	2022
				£	£
Charitable donations:					
Paid in the year				10,913,825	9,154,300
Grants returned in the year				-	(5,000)
Accruals brought forward				(3,648,500)	(2,136,950)
Accruals carried forward				13,034,399	3,648,500
				<u>20,299,724</u>	<u>10,660,850</u>
Support costs (note 4)				533,069	514,552
Governance costs (note 5)				53,948	40,598
				<u>20,886,741</u>	<u>11,216,000</u>
Charitable expenditure – analysed as follows:					
	Grants	Support	Governance	2023	2022
	£	Costs	Costs	Total	Total
		£	£	£	£
Arts	8,056,299	211,558	21,410	8,289,267	5,652,003
Learning	10,702,525	281,047	28,443	11,012,015	4,458,005
Small grants	1,540,900	40,464	4,095	1,585,459	1,105,992
	<u>20,299,724</u>	<u>533,069</u>	<u>53,948</u>	<u>20,886,741</u>	<u>11,216,000</u>
4. SUPPORT COSTS				2023	2022
				£	£
Staff costs (including pension)				432,897	411,269
Rent				36,000	36,000
Rates, service charges and insurance				19,667	20,895
Communication costs				3,170	2,363
Equipment maintenance and computer support				28,912	31,384
Office services				9,680	9,249
Bank charges				869	894
Depreciation				1,874	2,498
				<u>533,069</u>	<u>514,552</u>
5. GOVERNANCE COSTS				2023	2022
				£	£
Trustees' expenses				5,672	3,879
Accountancy fees				12,372	11,758
Auditor's remuneration				22,337	19,861
Legal and professional fees				13,567	5,100
				<u>53,948</u>	<u>40,598</u>

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. NET EXPENDITURE	2023	2022
	£	£
Net expenditure is stated after charging:		
Trustees' expenses	5,672	3,879
Depreciation	1,874	2,498
Auditor's remuneration	22,337	19,861
Operating lease rentals-other operating leases	36,000	36,000
	<u> </u>	<u> </u>

7. TRUSTEES' REMUNERATION AND EXPENSES

The six Trustees received no remuneration during the year (nor in the previous period) but were reimbursed £5,672 for travel and out of pocket expenses (2022: £3,879).

8. STAFF WAGES	2023	2022
	£	£
Wages	372,720	346,955
Social security costs	42,545	41,956
Pension costs	22,632	27,358
Employment allowance	(5,000)	(5,000)
	<u> </u>	<u> </u>
	432,897	411,269
	<u> </u>	<u> </u>

Average number of employees was 7 and equivalent to 4.6 on a full-time basis (2022: 4.6 on a full time basis):

	Number	Number
Administration	7	7
	<u> </u>	<u> </u>

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

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

Salaries and benefits paid to key management personnel was £235,833 (2022: £226,460).

The pension contribution to the highest paid employee was £12,500 (2022: £12,500).

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2023	89,092	86,160	62,306	237,558
Additions	-	-	-	-
At 31 December 2023	<u>89,092</u>	<u>86,160</u>	<u>62,306</u>	<u>237,558</u>
Depreciation				
At 1 January 2023	89,092	47,920	56,099	193,111
Charge for the year	-	323	1,551	1,874
At 31 December 2023	<u>89,092</u>	<u>48,243</u>	<u>57,650</u>	<u>194,985</u>
Net Book Value				
At 31 December 2023	<u>-</u>	<u>37,917</u>	<u>4,656</u>	<u>42,573</u>
At 31 December 2022	<u>-</u>	<u>38,240</u>	<u>6,207</u>	<u>44,447</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

	2023 £	2022 £
Investment value brought forward	1,595,000	900,000
Revaluation gain	-	695,000
Gain on disposal	805,000	-
Disposal	<u>(2,400,000)</u>	<u>-</u>
Investment value carried forward	<u>-</u>	<u>1,595,000</u>

The investment property was disposed of in the year ended 31 December 2023 for £2,400,000.

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. QUOTED INVESTMENTS	2023 £	2022 £
Market value at 1 January 2022	39,750,227	50,065,692
Additions at cost	5,052,838	12,302,207
Disposal proceeds	(20,458,726)	(17,718,248)
Realised gains / (losses) on sales	185,580	(1,964,958)
Investment managers' fees	(219,059)	(493,388)
Unrealised gains / (losses) on revaluation	279,780	(2,441,078)
	<u>24,590,640</u>	<u>39,750,227</u>
Market value at 31 December 2023		
Analysis of investments by type:		
Investments inside the UK		
Listed unit trusts	24,590,640	32,816,923
Quoted shares	-	4,690,248
	<u>24,590,640</u>	<u>37,507,171</u>
Investments outside the UK (managed by overseas Fund Managers)	-	2,243,056
	<u>24,590,640</u>	<u>39,750,227</u>
12. FINANCIAL INSTRUMENTS	2023 £	2022 £
Financial assets measured by fair value	<u>24,590,640</u>	<u>39,750,227</u>
Financial assets measured by amortised cost	<u>72</u>	<u>72</u>
Financial liabilities measured by amortised cost	<u>800</u>	<u>7,872</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 2023

13. DEBTORS	2023 £	2022 £
Other debtors	72	72
Prepayments and accrued income	392,846	356,264
	<u>392,918</u>	<u>356,336</u>
	<u><u>392,918</u></u>	<u><u>356,336</u></u>
14. CASH AT BANK AND IN HAND	2023 £	2022 £
Cash in hand	-	11
Cash at Bank	14,505,342	6,932,094
	<u>14,505,342</u>	<u>6,932,105</u>
	<u><u>14,505,342</u></u>	<u><u>6,932,105</u></u>
15. CREDITORS: amounts falling due within one year	2023 £	2022 £
Accrued grants to charities	13,034,399	3,648,500
Other taxes and social security	16,830	698
Other creditors and deferred income	800	7,872
Accrued expenses	80,757	69,896
	<u>13,132,786</u>	<u>3,726,966</u>
	<u><u>13,132,786</u></u>	<u><u>3,726,966</u></u>

16. MOVEMENT IN FUNDS

	At 1 January 2023 £	Income £	Expenditure/ Losses £	Transfers £	At 31 December 2023 £
Unrestricted funds:					
General fund	39,896,755	1,352,439	(19,904,901)	5,054,394	26,398,687
Revaluation reserve	5,054,394	-	-	(5,054,394)	-
	<u>44,951,149</u>	<u>1,352,439</u>	<u>(19,904,901)</u>	<u>-</u>	<u>26,398,687</u>
	<u><u>44,951,149</u></u>	<u><u>1,352,439</u></u>	<u><u>(19,904,901)</u></u>	<u><u>-</u></u>	<u><u>26,398,687</u></u>

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

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(18,552,462)	(14,085,632)
Depreciation charges	1,874	2,498
Investment (gains) / losses	(465,360)	4,406,036
Investment managers fees	219,059	493,388
Dividends, interest and rent for investments	(1,312,147)	(1,249,985)
Revaluation of property	-	(695,000)
Property disposal gain	(805,000)	
(Increase) / decrease in debtors	(48,662)	37,646
Increase in creditors	9,405,820	1,492,732
	<u>(11,556,878)</u>	<u>(9,598,317)</u>
Net cash used in operating activities		

18. LEASE COMMITMENTS

At 31 December 2023, The Foundation was committed to making the following payments under non-cancellable operating leases:

	2023 £	2022 £
Operating leases payments due within the next year	30,000	30,000
Operating leases payments due between two to five years	30,000	60,000

19. LARGE GRANTS PAYABLE IN THE YEAR

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

	2023 £
Anna Freud London	75,000
Capital Theatres	200,000
Cathedral Church of St Peter	150,000
Imperial War Museum	150,000
KH Theatre Ltd	85,000
Liberdade Community Development Trust	75,000
Mansfield and Sutton Astronomical Society	100,000
PACE Theatre Company	150,000
Pitlochry Festival Theatre	110,000
RHCA Royal Hospital Chelsea Appeal	140,000
Royal College of Music	75,000
Royal Opera House Covent Garden Foundation	250,000
Salisbury and South Wiltshire Museum Trust	100,000
Seamab	75,000
St Bartholomew's Heritage	200,000
The Foundling Museum	500,000
The National Gallery	1,000,000
The Poetry Society	75,000
The Queen's Hall	75,000
The Royal Shakespeare Company	78,000
The University of Manchester	100,000

THE FOYLE FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20. 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 2023 in respect of these grants.

	Grant awarded	
	2023 £	2022 £
Earls Court Youth Clubs	-	10,000
Royal National Theatre	1,500,000	-
	-----	-----
	1,500,000	10,000
	=====	=====