

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD ENDED 31 MARCH 2021

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

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**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 MARCH 2021**

Trustees I D Cormack
M C Leslie
Professor J G Mellor, Chair

**Company registered
number** 04396150

**Charity registered
number** 1124053

Registered office 1 - 3 College Yard
Worcester
WR1 2LB

Independent Examiners Bishop Fleming LLP
Chartered Accountants
16 Queen Square
Bristol
BS1 4NT

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021**

The Trustees present their annual report together with the financial statements of the Charitable Company for the 1 October 2019 to 31 March 2021 period. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and Financial Statements of the Charitable Company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Foundation for Governance Research and Education (FGRE)'s policy is to provide thought leadership and support for governance best practice to directors responsible for the leadership of their organisations in the profit and not-for-profit sectors.

FGRE's primary focus is on governance in financial services. The key objective is to provide practical guidance via a series of seminars led by senior and experienced practitioners to existing and future directors, to stimulate their development and professional ethos.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The seminars focus on banks and building societies covering a range of size, ownership and business models. The initiative is endorsed by UK Finance (UKF), the official body representing the financial services industry.

c. Activities undertaken to achieve objectives

The seminars provide an environment for main board directors to learn from each other on subjects of mutual interest. The education is tailored to deliver output of practical value.

d. Main activities undertaken to further the Charitable Company's purposes for the public benefit

Bank director guidance and support is the main activity of FGRE. This is tailored most particularly for chairs and non-executive directors. Further, FGRE complements the delivery of seminars with publications on bank governance.

Achievements and performance

**TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Achievements and performance (CONTINUED)

a. Main achievements of the Charitable Company

(i) During the period under review, FGRE established the Advisory Board of senior practitioners and held (virtually) the first of twice yearly meetings in March 2021. Concurrently, FGRE formalised support from Russell Reynolds Associates, London. The official launch of a programme of seminars was held in September 2021, followed by a second advisory board meeting to agree the programme of six seminars with dates agreed for the 2022 year.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies (Note 2.2).

b. Reserves policy

Progress is being made on increasing the level of financial resources. FGRE's exposure to the banks and senior levels in the industry past and present provides potential sources of funding, and seminar revenue.

At the appropriate time it is the intention of the Trustees to formalise a Reserves Policy.

c. Financial review

The Charitable Company had incoming resources of £28,306 during the period (2019: £45,007), all of which is unrestricted. Expenditure of £29,050 was incurred during the period (2019: £19,663). A deficit of £744 was incurred (2019: Surplus of £25,344).

The Charitable Company had negative closing reserves of £21,550 (2019: £20,806), all of which are unrestricted.

It is anticipated that revenue from the programme of six seminars planned for 2022 will eliminate the reserves deficit.

Structure, governance and management

a. Constitution

Foundation for Governance Research and Education is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. In addition to a Statutory Board, FGRE operates with an Advisory Board, established in accordance with the constitution.

b. Methods of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

**TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Professor J G Mellor

Trustee

Date: 20 December 2021

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT
FOR THE PERIOD ENDED 31 MARCH 2021**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOUNDATION FOR
GOVERNANCE RESEARCH AND EDUCATION ('the Charitable Company')**

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the period ended 31 March 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charitable Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charitable Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I 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 accounts to be reached.

This report is made solely to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charitable Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's Trustees as a body, for my work or for this report.



Signed:

Dated: 20 December 2021

David Butler FCA DChA

Bishop Fleming LLP
10 Temple Back
Redcliffe
Bristol BS1 6FL

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2021**

		Unrestricted funds 18 Months to 31 March 2021 £	Total funds 18 months to 31 March 2021 £	Total funds Year ended 30 September 2019 £
	Note			
Income from:				
Donations and legacies	3	13,306	13,306	35,007
Charitable activities	4	15,000	15,000	10,000
Total income		28,306	28,306	45,007
Expenditure on:				
Charitable activities	5	29,050	29,050	19,663
Total expenditure		29,050	29,050	19,663
Net movement in funds		(744)	(744)	25,344
Reconciliation of funds:				
Total funds brought forward		(20,806)	(20,806)	(46,150)
Net movement in funds		(744)	(744)	25,344
Total funds carried forward	11	(21,550)	(21,550)	(20,806)

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 8 to 14 form part of these financial statements.

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:04396150

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	18 month period to 31 March 2021 £	Year ended 30 September 2019 £
Current assets			
Debtors	8	15,988	19,500
		<u>15,988</u>	<u>19,500</u>
Creditors: amounts falling due within one year	9	(27,538)	(30,306)
Net current liabilities		<u>(11,550)</u>	<u>(10,806)</u>
Total assets less current liabilities		<u>(11,550)</u>	<u>(10,806)</u>
Creditors: amounts falling due after more than one year	10	(10,000)	(10,000)
Net liabilities excluding pension asset		<u>(21,550)</u>	<u>(20,806)</u>
Total net assets		<u>(21,550)</u>	<u>(20,806)</u>
Charity funds			
Unrestricted funds	11	(21,550)	(20,806)
Total funds		<u>(21,550)</u>	<u>(20,806)</u>

The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Professor J G Mellor

Trustee

Date: 20 December 2021

The notes on pages 8 to 14 form part of these financial statements.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

Foundation for Governance Education and Research is a private limited Charitable Company incorporated in the UK and registered in England and Wales.

The Charitable Company is a private company limited by guarantee. The members of the Charitable Company are the Trustees named on page 1. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £NIL per member of the Charitable Company.

The principal activity of the Charitable Company is that set out in the Trustees' Report.

The accounts are presented in GBP and are rounded to the nearest GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Foundation For Governance Research and Education 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.

2.2 GOING CONCERN

The Trustees have prepared budgets and cash flow forecasts for a period of at least 12 months following the date of approval of the financial statements. The Charitable Company has a net liability value at 31 March 2021 of £21,550 (2019: £20,806). At the year end the Charitable Company has net amounts due from Trustees of £988 and due to Trustees of £10,000. (2019: Due to Trustees £11,306).

The Trustees' assumptions and outlook consider the impact and uncertainty that the COVID-19 pandemic may have on the Charitable Company. This is being monitored on a daily basis by the Trustees. The Trustees have committed to continue to provide financial support, and on this basis are of the view the Charitable Company is a going concern.

The financial statements do not reflect the adjustments that would be necessary should the ability of the Charitable Company to operate be jeopardised due to a material issue with the availability of the Trustees, the level of demand or its ability to deliver services to its customers.

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charitable Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 DEBTORS

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

2.6 CASH AT BANK AND IN HAND

Cash at bank and in hand includes 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.

2.7 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.8 FINANCIAL INSTRUMENTS

The Charitable Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

3. INCOME FROM DONATIONS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2019 £
Donations	12,750	12,750	28,000
Gift Aid on donations	556	556	7,007
	<u>13,306</u>	<u>13,306</u>	<u>35,007</u>
TOTAL 2019	<u>35,007</u>	<u>35,007</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2019 £
Programme fees	15,000	15,000	10,000
	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Support costs 2021 £	Total funds 2021 £	Total funds 2019 £
Governance, research and education	29,050	29,050	19,663
	<u>29,050</u>	<u>29,050</u>	<u>19,663</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2019 £
Bank overdraft interest payable	2,646	2,283
Computer costs	145	310
Bank charges	732	375
Secretarial fees	18,000	12,500
Sundry costs	-	163
Telephone costs	1,475	1,374
Travel costs	177	858
Accountancy fees	875	1,800
Seminar set up fees	5,000	-
	29,050	19,663

6. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,800 (2019 - £1,800), and other services of £NIL (2019 - £NIL).

The Accountancy value in Support Costs, show a net value of £875, due to over accrual in previous years reflected in the 2021 values.

7.

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the period ended 31 March 2021, £1,551 Trustee expenses have been incurred in relation to 1 Trustee (2019 - £2,232).

During the period Trustees were remunerated for their work provided - Professor J Mellor £5,000 (2019: £NIL) for Seminar set up costs. Mrs A Mellor (wife of Professor J Mellor) £18,000 (2019: £12,500) for secretarial fees. These costs are in agreement with all Trustees.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

8. DEBTORS

	31 March 2021 £	30 September 2019 £
DUE WITHIN ONE YEAR		
Trade debtors	-	10,000
Other debtors	988	-
Prepayments and accrued income	15,000	2,500
Tax recoverable	-	7,000
	15,988	19,500

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2021 £	30 September 2019 £
Bank overdrafts	24,738	24,985
Trade creditors	-	2,215
Other creditors	-	1,306
Accruals and deferred income	2,800	1,800
	27,538	30,306

Security:

Included within Bank overdrafts is an amount of £24,738 (2019: £24,985), which is unsecured.

Included within Other creditors are Trustees' loan balances totalling £NIL (2019: £1,306), which are unsecured.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2021 £	30 September 2019 £
Other creditors	10,000	10,000

Included within Other creditors due over one year, are Trustees' loan balances totalling £10,000 (2019: £10,000), which are unsecured.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT PERIOD

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS				
General funds	(20,806)	28,306	(29,050)	(21,550)

STATEMENT OF FUNDS - PRIOR PERIOD

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
UNRESTRICTED FUNDS				
General funds	(46,150)	45,007	(19,663)	(20,806)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 31 March 2021 £	Total funds 31 March 2021 £
Current assets	15,988	15,988
Creditors due within one year	(27,538)	(27,538)
Creditors due in more than one year	(10,000)	(10,000)
TOTAL	(21,550)	(21,550)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 30 September 2019 £	Total funds 30 September 2019 £
Current assets	19,500	19,500
Creditors due within one year	(30,306)	(30,306)
Creditors due in more than one year	(10,000)	(10,000)
TOTAL	(20,806)	(20,806)

13. RELATED PARTY TRANSACTIONS

During the period, a sum of £5,000 (2019: £NIL) was paid to Professor J Mellor (a Trustee), in relation to Seminar set up costs. These costs were agreed by the Trustees.

A sum of £18,000 (2019: £12,500) was paid to Mrs A Mellor (wife of Professor J Mellor - Trustee) in relation to Secretarial fees.

Included in Other Debtors are Trustees' loan balances totalling £988 (2019: £NIL).