

REGISTERED COMPANY NUMBER: 06446031 (England and Wales)
REGISTERED CHARITY NUMBER: 1125130

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2020
for
The Finborough Foundation

Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

The Finborough Foundation

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**Report of the Trustees
for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Finborough Foundation objectives and activities during the period included to advance the training & study of medicine, science and the arts; to promote the conservation, protection and improvement of the environment; to support homeless children and adults and protect them from abuse.

Significant activities

The Foundation has made donations to selected registered charities whose aims accord to those of the Foundation. This has enabled the charity to effectively meet the charitable purpose detailed above.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to the public benefit in exercising their powers and duties.

Grantmaking

The Trustees review applications for grants and determine those which best accord to the Foundation's aims in deciding grants to be made.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the Foundation made grants to eighteen charities. The Foundation continues to receive reports from the beneficiary charities and satisfies itself that their activities fall within the remit of the Foundation's objectives

FINANCIAL REVIEW

Financial position

The Foundation's portfolio of properties donated by the founder, Mr Charles Pettiward, in 2009 continues to be managed and maintained to a high standard and underpins the financial strength of the Foundation. The Trustees also ensure donations made are within available resources and funded by the Foundation's regular income. As a result, the financial position of the Foundation is very strong. In particular the income of many charities has suffered as a result of the Covid 19 pandemic, but to date The Foundation has suffered no significant impairment in income

As at 31 December 2020 the Trustees consider there had been no significant variation in the value of the property portfolio since the last valuation as of 31 December 2019.

The charity does not maintain a policy for holding reserves, this is to ensure grants made are within available resources and adequately funded by the income generated from the Foundation's investments. The Foundation does not require any additional reserves.

Principal funding sources

The Foundation's primary source of incoming resources is generated from the net rental income derived from its property portfolio.

Investment policy and objectives

The Foundation has to date maintained its investments in the properties originally donated by the founder, Mr Charles Pettiward. The Trustees are considering widening the spread of investments to reduce its concentration in London Property as and when The Foundation's professional advisors consider the market conditions for the sale of properties in London are favourable.

Going concern

The financial strength of the Foundation means there is no significant uncertainty about the charity continuing as a going concern

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Trustees are primarily selected by the Founder of the Foundation, Mr Charles Pettiward, who donated £5 million of property to the Foundation in 2009.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06446031 (England and Wales)

Registered Charity number

1125130

Registered office

34 Ely Place
London
EC1N 6TD

Trustees

C Pettiward
P Hamilton
M R Winstanley (resigned 10.2.2021)
J M Pettiward (appointed 2.3.2021)

Auditors

Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Solicitors

Bower Cotton Hamilton LLP
34 Ely Place
London
EC1N 6TD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Finborough Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees 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 year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

**Report of the Trustees
for the Year Ended 31 December 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Grunberg & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 September 2021 and signed on its behalf by:

C Pettiward - Trustee

Report of the Independent Auditors to the Members of The Finborough Foundation

Opinion

We have audited the financial statements of The Finborough Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of The Finborough Foundation

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of The Finborough Foundation

Our responsibilities for the audit of the financial statements

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

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, including the impact of the COVID-19 global pandemic across the UK and whether the financial results of our client differed from the industry trends;
- the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statement and any potential indicators of fraud.

Audit procedures performed included the reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the directors' on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; inspection of relevant legal correspondence and board minutes; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the UK Companies Act, Employment Laws, Tax and Pensions legislation, GDPR and Health & Safety legislation.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Report of the Independent Auditors to the Members of The Finborough Foundation

Use of our report

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

Gedalia Waldman BA FCA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

28 September 2021

The Finborough Foundation

**Statement of Financial Activities
for the Year Ended 31 December 2020**

		2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Investment income	3	262,476	270,616
Other income		114	7,619
Total		<u>262,590</u>	<u>278,235</u>
EXPENDITURE ON			
Charitable activities	4		
Charitable activities		136,000	136,000
Property maintenance and support costs		207,008	151,448
Total		<u>343,008</u>	<u>287,448</u>
NET INCOME/(EXPENDITURE)		<u>(80,418)</u>	<u>(9,213)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		8,627,403	8,636,616
TOTAL FUNDS CARRIED FORWARD		<u>8,546,985</u>	<u>8,627,403</u>

The notes form part of these financial statements

The Finborough Foundation (Registered number: 06446031)

Balance Sheet
31 December 2020

	Notes	2020 Unrestricted fund £	2019 Total funds £
FIXED ASSETS			
Investment property	8	8,395,250	8,395,250
CURRENT ASSETS			
Debtors	9	81,911	105,461
Cash at bank		<u>107,036</u>	<u>165,798</u>
		188,947	271,259
CREDITORS			
Amounts falling due within one year	10	(37,212)	(39,106)
NET CURRENT ASSETS		<u>151,735</u>	<u>232,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,546,985	8,627,403
NET ASSETS		<u>8,546,985</u>	<u>8,627,403</u>
FUNDS	11		
Unrestricted funds		<u>8,546,985</u>	<u>8,627,403</u>
TOTAL FUNDS		<u>8,546,985</u>	<u>8,627,403</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28 September 2021 and were signed on its behalf by:

C Pettiward - Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

The Finborough Foundation is an Incorporated charity, limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found on the reference and administrative Information page.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

There are no material uncertainties regarding the going concern of the charity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investment property

Investment properties are shown at fair value and any changes are recognised in the statement of financial activities.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

The charity does not hold or expect to hold any restricted funds.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

Debtors

Basic financial assets, including trade and other debtors, are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents represented by cash in hand and deposits held at call with financial institutions, are measured at amortised cost.

Creditors

Basic financial liabilities, including trade and other creditors, are recognised at transaction price.

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	262,376	270,408
Deposit account interest	100	208
	<u>262,476</u>	<u>270,616</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities £	Support costs £	Totals £
Charitable activities	136,000	-	136,000
Property maintenance and support costs	-	207,008	207,008
	<u>136,000</u>	<u>207,008</u>	<u>343,008</u>

5. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	<u>7,587</u>	<u>6,381</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. STAFF COSTS

Average number of staff during the year was 0 (2019 - 0).

8. INVESTMENT PROPERTY

£

FAIR VALUE

At 1 January 2020

and 31 December 2020

8,395,250

NET BOOK VALUE

At 31 December 2020

8,395,250

At 31 December 2019

8,395,250

Investment properties are carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	<u>81,911</u>	<u>105,461</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other creditors	27,187	25,443
Accrued expenses	<u>10,025</u>	<u>13,663</u>
	<u>37,212</u>	<u>39,106</u>

11. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	8,627,403	(80,418)	8,546,985
TOTAL FUNDS	<u>8,627,403</u>	<u>(80,418)</u>	<u>8,546,985</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	262,590	(343,008)	(80,418)
TOTAL FUNDS	<u>262,590</u>	<u>(343,008)</u>	<u>(80,418)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	8,636,616	(9,213)	8,627,403
TOTAL FUNDS	<u>8,636,616</u>	<u>(9,213)</u>	<u>8,627,403</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	278,235	(287,448)	(9,213)
TOTAL FUNDS	<u>278,235</u>	<u>(287,448)</u>	<u>(9,213)</u>

12. RELATED PARTY DISCLOSURES

The properties, for which The Finborough Foundation owns the freehold, are subject to a headlease granted to a management company, in which The Finborough Foundation holds shares. The management company then subleases the flats in these properties either to third parties or back to The Finborough Foundation. This applies to properties at 46 Finborough Road and 58 Redcliffe Gardens.

Payments totalling £9,725 (2019 - £9,077) were made to Bower Cotton Hamilton LLP (previously called Hamilton Downing Quinn LLP) in respect of legal services provided to the charity. Philip Hamilton is a member of Bower Cotton Hamilton LLP and a trustee of the charity.

Included in debtors is an amount of £4,847 (2019 - £3,350) held by Bower Cotton Hamilton LLP on behalf of the charity. Phillip Hamilton is a member of Bower Cotton Hamilton LLP and a trustee of the charity.

13. FINANCIAL ASSETS AND LIABILITIES

	2020 £	2019 £
Financial assets measured at amortised cost	<u>188,947</u>	<u>271,259</u>
Financial liabilities measured at amortised cost	<u>37,203</u>	<u>39,096</u>

14. LIMITED LIABILITY

The company is limited by guarantee, every member promises that if the Charity is dissolved while he or she remains a member, or within twelve months afterwards to contribute up to £1 towards the cost of dissolution of the liabilities incurred by the Charity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.