

Charity registration number 1125130

Company registration number 06446031 (England and Wales)

THE FINBOROUGH FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE FINBOROUGH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Pettiward	
	J M Pettiward	(Appointed 2 March 2021)
	J R Pettiward	(Appointed 15 December 2021)
Charity number	1125130	
Company number	06446031	
Registered office	34 Ely Place London EC1N 6TD	
Independent examiner	Grunberg & Co Ltd 5 Technology Park Colindeep Lane Colindale London United Kingdom NW9 6BX	

THE FINBOROUGH FOUNDATION

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THE FINBOROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Finborough Foundation objectives and activities during the period were 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.

Grant making

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

Achievements and performance

Charitable activities

During the year the Foundation made grants to 18 charities. The Foundation receives favourable feedback and updates from these beneficiaries.

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. 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 its rental income.

As at 31 December 2021 the Trustees obtained a desktop appraisal of the value of the property portfolio of £8,084,500. As a result, the valuation of the properties in the accounts has been reduced by £310,750. The Trustees do not believe this makes a significant difference to the long term future of the Foundation or its planned activities.

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.

Going concern

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

Principal funding sources

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

THE FINBOROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

P Hamilton	(Resigned 4 August 2022)
C Pettiward	
J M Pettiward	(Appointed 2 March 2021)
J R Pettiward	(Appointed 15 December 2021)
M R Winstanley	(Resigned 10 February 2021)

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. During the year Mark Robert Winstanley resigned on 10 February 2021, Josephine Mary Pettiward was appointed on 2 March 2021 and James Roger Pettiward was appointed 10 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06446031 (England and Wales)

Registered Charity number

1125130

Registered office

34 Ely Place
London EC1N 6TD

Trustees

Charles Pettiward
Philip Hamilton (resigned 4 August 2022)
Josephine Mary Pettiward (appointed 2 March 2021)
James Roger Pettiward (appointed 15 December 2021)

Independent Examiner

Grunberg & Co Limited
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Solicitors

BPC Law
Omni House
252 Belsize Road
London NW6 4BT

THE FINBOROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees' report was approved by the Board of Trustees.

C Pettiward

Trustee

24 October 2022

THE FINBOROUGH FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the directors of The Finborough Foundation for the purpose 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 year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FINBOROUGH FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE FINBOROUGH FOUNDATION

I report to the Trustees on my examination of the financial statements of The Finborough Foundation (the Charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity 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 Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

Grunberg & Co Ltd



Gedalia Waldman BA FCA

5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX
United Kingdom

Dated: 31 October 2022

THE FINBOROUGH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Investments	2	240,486	262,476
Other income	3	20	114
		<hr/>	<hr/>
Total income		240,506	262,590
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	255,246	343,008
		<hr/>	<hr/>
Net gains/(losses) on investments		(310,750)	-
		<hr/>	<hr/>
Net expenditure for the year/ Net movement in funds		(325,490)	(80,418)
		<hr/>	<hr/>
Fund balances at 1 January 2021		8,546,985	8,627,403
		<hr/>	<hr/>
Fund balances at 31 December 2021		8,221,495	8,546,985
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FINBOROUGH FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	9		8,084,500		8,395,250
Current assets					
Debtors	10	130,784		81,911	
Cash at bank and in hand		76,233		107,036	
			207,017		188,947
Creditors: amounts falling due within one year	11	(70,022)		(37,212)	
Net current assets			136,995		151,735
Total assets less current liabilities			8,221,495		8,546,985
Income funds					
Unrestricted funds			8,221,495		8,546,985
			8,221,495		8,546,985

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 24 October 2022

C Pettiward
Trustee

Company registration number 06446031

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Finborough Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 34 Ely Place, London, EC1N 6TD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

1.5 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 are allocated on the portion of the asset's use.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

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

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	240,477	262,376
Interest receivable	9	100
	<u>240,486</u>	<u>262,476</u>

3 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	20	114
	<u>20</u>	<u>114</u>

4 Charitable activities

	2021	2020
	£	£
Grant funding of activities (see note 5)	136,000	136,000
Share of support costs (see note 6)	98,299	184,772
Share of governance costs (see note 6)	20,947	22,236
	<u>255,246</u>	<u>343,008</u>

5 Grants payable

	2021	2020
	£	£
Grants to institutions:		
Other	136,000	136,000
	<u>136,000</u>	<u>136,000</u>

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Grants payable (Continued)

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6 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Rates and water	2,494	-	2,494	2,857	-	2,857
Insurance	2,597	-	2,597	2,458	-	2,458
Light and heat	1,385	-	1,385	2,658	-	2,658
Repairs and renewals	38,132	-	38,132	121,920	-	121,920
Property management fees	29,069	-	29,069	33,347	-	33,347
Service charges	24,526	-	24,526	21,451	-	21,451
Bank charges	96	-	96	81	-	81
Auditors' remuneration	-	-	-	-	7,587	7,587
Independent examiners' fee	-	5,503	5,503	-	-	-
Legal fees	-	9,024	9,024	-	9,716	9,716
Other professional fees	-	2,280	2,280	-	1,865	1,865
Accountancy	-	4,140	4,140	-	3,068	3,068
	<u>98,299</u>	<u>20,947</u>	<u>119,246</u>	<u>184,772</u>	<u>22,236</u>	<u>207,008</u>
Analysed between						
Charitable activities	<u>98,299</u>	<u>20,947</u>	<u>119,246</u>	<u>184,772</u>	<u>22,236</u>	<u>207,008</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Investment property

	2021 £
Fair value	
At 1 January 2021	8,395,250
Net gains or losses through fair value adjustments	(310,750)
	<u>8,084,500</u>
At 31 December 2021	<u>8,084,500</u>

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.

	2021 £	2020 £
Freehold	2,079,500	2,170,250
Long leasehold	6,005,000	6,225,000
Short leasehold	-	-
	<u>8,084,500</u>	<u>8,395,250</u>

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	130,784	81,911
	<u>130,784</u>	<u>81,911</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	60,420	27,187
Accruals and deferred income	9,602	10,025
	<u>70,022</u>	<u>37,212</u>

12 Related party transactions

THE FINBOROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Related party transactions

(Continued)

The freehold of certain properties are subject to a head lease to a Management Company, in which The Finborough Foundation holds shares. The Management Companies then sublease the flats in these properties either to third parties or back to The Finborough Foundation.

Payments totalling £9,024 (2020 - £9,725) were made to Bower Cotton Hamilton LLP in respect of legal services provided to the charity. Included in debtors is an amount of £3,527 (2020 - £4,847) held by Bower Cotton Hamilton LLP on behalf of the charity. Philip Hamilton is a member of Bower Cotton Hamilton LLP and was a trustee of the charity throughout the reporting period (resigned 4 August 2022).

Included in other creditors is an amount of £35,000 advanced to the charity by a Trustee, Mr Charles Pettiward. This loan is interest free and repayable on demand and no benefit was received by Mr Pettiward in exchange for this loan.