

# **LGA Foundation**

**(A company limited by guarantee)**

## **Annual report**

**5 April 2021**

**LGA Foundation**  
**(A company limited by guarantee)**

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# **LGA Foundation**

**(A company limited by guarantee)**

**Reference and administrative details**  
**Year ended 5 April 2021**

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## **Trustees**

Mr J P Reece  
Mrs S E Reece  
Mr J Flynn  
Ms Dianne Mackay (appointed 9 August 2021)

## **Company registered number**

07434158

## **Charity registered number**

1139307

## **Registered office**

6 Austen Way  
Crook  
County Durham  
DL15 9UT

## **Independent auditor**

UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **LGA Foundation**

**(A company limited by guarantee)**

## **Trustees' report Year ended 5 April 2021**

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The trustees present their annual report together with the audited financial statements of the company for the year 6 April 2020 to 5 April 2021. 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 (FRS 102) (effective 1 January 2019).

Since the 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**

#### **● Policies and objectives**

The object of the charity is to make grants for the benefit of the public for such charitable purposes as the trustees think fit. The trustees are particularly keen to support projects in the North East of England, reaching those in the region who are most disadvantaged.

The LGA Foundation aims to support causes helping the most disadvantaged across the North East of England through awarding grants. During the year to 5 April 2021 it's focus was on supporting groups through the impact of the Covid 19 pandemic. LGA requests feedback from it's beneficiaries in order to assess the impact of its grant making and to inform future decisions. The Foundation does not have a formal grant making policy, with grants awarded by Trustees periodically following assessment and discussion.

The trustees confirm that they have had due regard to the law relating to public benefit and the Charity Commission's guidance on the subject.

#### **● Main achievements of the company**

During the year the Foundation gave a total of 32 (2020: 22) grants to support organisations during the pandemic. Larger grants are detailed below in the financial review. The grants aimed to ensure that key organisations were able to continue to provide services during this difficult period and would survive into the future. The trustees consider that the grants made during the year met their objectives of supporting disadvantaged people across the North East and maintaining previous commitments to some organisations. Whilst the pandemic has impacted many organisations, the Foundation has remained largely unaffected and has been able to maintain its level of grant funding.

#### **● Key performance indicators**

The entity's key performance indicators are the number of grants given in the financial year as outlined above.

# LGA Foundation

(A company limited by guarantee)

## Trustees' report (continued) Year ended 5 April 2021

### Achievements and performance

#### • Going concern

Covid-19 has significantly impacted the UK. Whilst initially this has impacted both the valuation of investments and the expected future cash flows and income of the Foundation the trustees have considered the ongoing impact of Covid-19 and the potential impact on investment returns over the coming months and are confident that the charity has sufficient liquidity to meet existing and future committed grant awards and charitable activities.

After considering the above and making appropriate enquiries, the trustees have a reasonable expectation that the 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.

#### • Reserves policy

The Foundation has no fixed cost base and employs no staff. Consequently it has no need to hold reserves to cover future costs. At 5 April 2021 unrestricted reserves stood at £6,705,653 (2020:£4,770,289) of which £6,514,719 (2020:£3,673,607) are tied up in investments held for future income generation and £220,886 (2020:£1,105,929) is held as cash.

#### • Financial review

During the year the charity received donations of £1,237,215 (2020:£82,411) in the form of shares from trustees, investment income of £100,168 (2020:£88,892) and made grants totalling £176,861 (2020:£153,935).

During the COVID-19 outbreak we paused our normal core funding programme while we distributed emergency funding to charities and community groups who were supporting some of the most vulnerable people in our communities whilst maintaining grant funding to organisations we had already made commitments to. Charitable causes supported include the welfare and development of vulnerable young people, carers and disadvantaged women. The following grants over £10,000 have been made in the year:

Urban Green	£16,650
North Benwell Youth Project	£15,000
Kids Cabin	£15,000
Northbourne Youth Initiative	£15,000
Denton Youth & Community Project Limited	£10,000
Calvert Trust	£10,000
Rape Crisis Tyneside and Northumberland	£10,000
Newcastle Women's Aid	£10,000
Acorns Project	£10,000
Tyneside Women's Health	£10,000
Wearside Women in Need	£10,000
The Angelou Centre	£10,000

#### • Material investments policy

The trustees work closely with their appointed investment managers in order to maximise the future returns to the charity. Investments are held for income generation to support the activities of the charity in the long term. The trustees meet with the investment managers on an annual basis to discuss the portfolio including social, environmental and ethical considerations taken into account when investing.

# **LGA Foundation**

**(A company limited by guarantee)**

**Trustees' report (continued)**  
**Year ended 5 April 2021**

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## **• Plans for future periods**

We will continue to focus on youth charities, women's charities and other community organisations that can help us deliver our purpose of building stronger, healthier communities in deprived areas of Tyneside and the wider north east region we support.

Looking further ahead, the nationwide lockdown in response to the COVID-19 pandemic has heightened awareness of the importance of nature for people's health and wellbeing. Given the urgent need for action on both climate and biodiversity as well as the public health benefits that ensue, the trustees will continue exploring opportunities to deliver a significant woodland creation project in the north east of England in the foreseeable future. Work on this project to identify a suitable site commenced during the year to 5 April 2021 and will be actively pursued through 2021/22.

## **Structure, governance and management**

### **• Constitution**

The company is a charitable company limited by guarantee. The company was incorporated on 9 November 2010 and is governed by the Memorandum and Articles of Association. The board of directors are the charity trustees and make decisions on behalf of the charity collectively.

### **• Method of appointment or election of trustees**

The future appointment of trustees is to be made by the founding trustees during their lifetime. During the year, Dianne Mackay was appointed to the board.

### **• Policies adopted for the induction and training of trustees**

New trustees are fully briefed by the existing trustees on the aims, objectives and finances of the Foundation. Further training is considered on a needs basis.

### **• Principle risks and uncertainties**

The trustees consider that they have identified the major risks to the charity and have established sufficient controls to mitigate these risks.

# LGA Foundation

(A company limited by guarantee)

## Trustees' report (continued) Year ended 5 April 2021

### Statement of trustees' responsibilities

The trustees (who are also the directors of the 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 year. 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 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 judgments 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor


Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

### Auditor

The auditor, UNW LLP, has indicated its willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 28 January 2022 and signed on their behalf by:

DocuSigned by:  
  
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**Mrs S E Reece**  
 Trustee



## **Independent auditor's report to the Members of LGA Foundation**

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### **Opinion**

We have audited the financial statements of LGA Foundation ('the charitable company') for the year ended 5 April 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 Financial Reporting Standard 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 charitable company's affairs as at 5 April 2021 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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.





## **Independent auditor's report to the Members of LGA Foundation (continued)**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 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.

### **Opinion 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our 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 trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



## **Independent auditor's report to the Members of LGA Foundation (continued)**

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### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

### **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 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable company's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; data protection and certain aspects of company legislation, recognising the nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in any further disclosure within our report or the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely



## Independent auditor's report to the Members of LGA Foundation (continued)

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the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Hallowell

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**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants  
Newcastle upon Tyne

28 January 2022

# LGA Foundation

(A company limited by guarantee)

## Statement of financial activities (incorporating income and expenditure account) Year ended 5 April 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>				
Donations and legacies	2	1,237,215	1,237,215	82,411
Investments	3	100,168	100,168	88,892
<b>Total income</b>		<b>1,337,383</b>	<b>1,337,383</b>	171,303
<b>Expenditure on:</b>				
Investment management expenses		29,391	29,391	25,096
Charitable activities		219,451	219,451	182,259
<b>Total expenditure</b>		<b>248,842</b>	<b>248,842</b>	207,355
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		<b>1,088,541</b>	<b>1,088,541</b>	(36,052)
Net gains/(losses) on investments		846,823	846,823	(313,593)
<b>Net movement in funds</b>		<b>1,935,364</b>	<b>1,935,364</b>	(349,645)
<b>Reconciliation of funds:</b>				
Total funds brought forward		4,770,289	4,770,289	5,119,934
Net movement in funds		1,935,364	1,935,364	(349,645)
<b>Total funds carried forward</b>		<b>6,705,653</b>	<b>6,705,653</b>	4,770,289

All funds in both years are unrestricted.

The notes on pages 13 to 21 form part of these financial statements.

**LGA Foundation****(A company limited by guarantee)****Balance sheet****At 5 April 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	7	1,972	3,944
Investments	8	6,514,698	3,673,607
		<u>6,516,670</u>	<u>3,677,551</u>
<b>Current assets</b>			
Debtors	9	21	-
Cash at bank and in hand		220,886	1,105,929
		<u>220,907</u>	<u>1,105,929</u>
Creditors: amounts falling due within one year	10	(31,924)	(13,191)
<b>Net current assets</b>		<u>188,983</u>	<u>1,092,738</u>
<b>Net assets</b>		<u><u>6,705,653</u></u>	<u><u>4,770,289</u></u>
<b>Charity funds</b>			
Restricted funds	11	-	-
Unrestricted funds	11	6,705,653	4,770,289
<b>Total funds</b>		<u><u>6,705,653</u></u>	<u><u>4,770,289</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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 on 28 January 2022 and signed on their behalf by:

DocuSigned by:

*Susan E Reece*

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**Mrs S E Reece**

Trustee

The notes on pages 13 to 21 form part of these financial statements.

# LGA Foundation

(A company limited by guarantee)

## Statement of cash flows Year ended 5 April 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>1,009,057</b>	380,091
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>100,168</b>	88,892
Proceeds from sale of investments	<b>4,276,788</b>	3,319,943
Purchase of investments	<b>(6,271,056)</b>	(3,290,910)
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,894,100)</b>	<b>117,925</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	<b>(885,043)</b>	<b>498,016</b>
Cash and cash equivalents at the beginning of the year	<b>1,105,929</b>	607,913
<b>Cash and cash equivalents at the end of the year</b>	<b>220,886</b>	1,105,929

The notes on pages 13 to 21 form part of these financial statements

# LGA Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 5 April 2021

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

LGA 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.

The financial statements are prepared in pounds sterling which is the functional currency of the charity and are rounded to the nearest £1.

#### 1.2 Company status

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

#### 1.3 Going concern

The financial statements have been prepared on a going concern basis.

Given the matters outlined in the trustees' report, particularly those in relation to Covid-19, the trustees have considered the additional risks presented and all factors they believe might reasonably impact upon the future outlook of the charity. The charity holds substantial investment assets but maintains sufficient cash reserves to allow it to meet its ongoing commitments. Despite the volatility in the investment market since the year end, investment values have recovered to be comparable with their levels at the balance sheet date and consequently the directors have a reasonable expectation that the 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.

#### 1.4 Income

All income is recognised once the 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

# LGA Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 5 April 2021

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### 1. Accounting policies (continued)

#### 1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Website	-	3 years straight line
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#### 1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

#### 1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

#### 1.9 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.

#### 1.10 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.



# LGA Foundation

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## Notes to the financial statements Year ended 5 April 2021

### 1. Accounting policies (continued)

#### 1.11 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.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.12 Fund accounting

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

#### 1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement or accounting estimates that were required in applying the company's accounting policies as set out above.

### 2. Income from donations and legacies

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	1,237,215	<b>1,237,215</b>	72,500
Gift aid	-	-	9,911
	<u>1,237,215</u>	<u><b>1,237,215</b></u>	<u>82,411</u>
Total 2020	<u>82,411</u>	<u>82,411</u>	

# LGA Foundation

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## Notes to the financial statements Year ended 5 April 2021

### 3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends	99,790	<b>99,790</b>	83,537
Interest received	378	<b>378</b>	5,355
	<u>100,168</u>	<u><b>100,168</b></u>	<u>88,892</u>
Total 2020	<u>88,892</u>	<u>88,892</u>	

### 4. Grants

	Grants 2021 £	Total funds 2021 £	Total funds 2020 £
Grants to beneficiaries	176,861	<b>176,861</b>	153,935
	<u>153,935</u>	<u>153,935</u>	
Total 2020	<u>153,935</u>	<u>153,935</u>	

Further details of grants awarded, which are all to institutions, are given in the trustees' report.

### 5. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grant-making activities	176,861	42,590	<b>219,451</b>	182,259
	<u>153,935</u>	<u>28,324</u>	<u>182,259</u>	
Total 2020	<u>153,935</u>	<u>28,324</u>	<u>182,259</u>	

# LGA Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 5 April 2021

### 5. Analysis of expenditure by activities (continued)

#### Analysis of direct costs

During the year, there were 32 grants (2020:22) totalling £176,861 (2020:£153,934).

#### Analysis of support costs

	Grant-making activities 2021 £	Total funds 2021 £	Total funds 2020 £
Sundry costs	4,010	<b>4,010</b>	1,760
Legal and professional fees	33,539	<b>33,539</b>	14,782
Audit and accountancy fees	3,069	<b>3,069</b>	9,810
Amortisation	1,972	<b>1,972</b>	1,972
	<u>42,590</u>	<u><b>42,590</b></u>	<u>28,324</u>
Total 2020	<u>28,324</u>	<u>28,324</u>	

### 6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<b>2,600</b>	2,600
Fees payable to the company's auditor in respect of:		
All taxation advisory services not included above	-	6,210
All non-audit services not included above	<b>1,000</b>	1,000

# LGA Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 5 April 2021

### 7. Intangible assets

	Website £
<b>Cost</b>	
At 6 April 2020	5,916
At 5 April 2021	<u>5,916</u>
<b>Amortisation</b>	
At 6 April 2020	1,972
Charge for the year	1,972
At 5 April 2021	<u>3,944</u>
<b>Net book value</b>	
At 5 April 2021	<u><u>1,972</u></u>
At 5 April 2020	<u><u>3,944</u></u>

### 8. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 6 April 2020	3,673,607
Additions	6,271,056
Disposals	(3,804,325)
Revaluations	374,360
At 5 April 2021	<u><u>6,514,698</u></u>
<b>Net book value</b>	
At 5 April 2021	<u><u>6,514,698</u></u>
At 5 April 2020	<u><u>3,673,607</u></u>

# LGA Foundation

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## Notes to the financial statements Year ended 5 April 2021

### 9. Debtors

	2021 £	2020 £
Prepayments and accrued income	21	-

### 10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,242	8,928
Accruals and deferred income	26,682	4,263
	31,924	13,191

### 11. Statement of funds

#### Statement of funds - current year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
<b>Unrestricted funds</b>					
General funds	4,770,289	1,337,383	(248,842)	846,823	6,705,653

#### Statement of funds - prior year

	Balance at 6 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2020 £
<b>Unrestricted funds</b>					
General Funds	5,119,934	171,303	(207,355)	(313,593)	4,770,289

# LGA Foundation

(A company limited by guarantee)

## Notes to the financial statements Year ended 5 April 2021

### 12. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	1,972	1,972
Fixed asset investments	6,514,698	6,514,698
Current assets	220,907	220,907
Creditors due within one year	(31,924)	(31,924)
<b>Total</b>	<b>6,705,653</b>	<b>6,705,653</b>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Intangible fixed assets	3,944	3,944
Fixed asset investments	3,673,607	3,673,607
Current assets	1,105,929	1,105,929
Creditors due within one year	(13,191)	(13,191)
<b>Total</b>	<b>4,770,289</b>	<b>4,770,289</b>

# LGA Foundation

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## Notes to the financial statements Year ended 5 April 2021

### 13. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>1,935,364</b>	(349,645)
<b>Adjustments for:</b>		
Amortisation charges	<b>1,972</b>	1,972
Gains/(losses) on investments	<b>(846,823)</b>	313,593
Dividends, interests and rents from investments	<b>(100,168)</b>	(88,892)
Decrease/(increase) in debtors	<b>(21)</b>	500,000
Increase in creditors	<b>18,733</b>	3,063
<b>Net cash provided by operating activities</b>	<b>1,009,057</b>	380,091

### 14. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<b>220,886</b>	1,105,929

### 15. Analysis of changes in net debt

	At 6 April 2020 £	Cash flows £	At 5 April 2021 £
Cash at bank and in hand	<b>1,105,929</b>	<b>(885,043)</b>	<b>220,886</b>

### 16. Related party transactions

During the year fees totalling £10,706 (2020: £7,615) were paid to J Flynn, trustee, for services to the Foundation.

During the year donations of £1,237,215 was received from JP and SE Reece (2020: £72,500 from J P Reece, trustee, via Reece Group Limited).

