

**The Garcia Family
Foundation (UK) Limited**

**Annual Report and Financial
Statements**

31 December 2021

Company Registration Number
07465181 (England and Wales)

Charity Registration Number
1140841

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Independent auditor's report	9

Financial statements

Statement of financial activities	13
Balance sheet	14
Principal accounting policies	15
Notes to the financial statements	18

Reference and administrative information

Trustees	Mrs Jill R. Garcia Dr John L. Garcia Mr James W. Leng
Company Secretary	Temple Secretarial Limited
Principal office	Withers LLP 20 Old Bailey London EC4M 7AN
Telephone	+44 (0)207 597 6000
Charity registration number	1140841
Company registration number	07465181
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 2 nd Floor King Street London WC2E 8JF
Solicitors	Withers LLP 20 Old Bailey London EC4M 7AN

The trustees present their statutory report together with the financial statements of the Garcia Family Foundation (UK) Limited for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out on page 15 to 17 therein and comply with the charitable company's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Garcia Family Foundation (UK) Limited ("the Foundation") was incorporated on 9 December 2010 as a private company limited by shares under company registration number 07465181 (England and Wales). On 21 March 2011, the Foundation registered on the Central Register of Charities under registration number 1140841. The Foundation has been established as part of a group structure. Its sole share is owned by the Garcia Family Foundation (US), a US tax exempt charitable organisation, and it was founded to carry out the work of that entity in the UK.

The Trustees

Trustees who served during the year and up to the date of this report were:

- Mrs Jill R. Garcia
- Dr John L. Garcia
- Mr James W. Leng

Recruitment and appointment details

Given the structure of the Foundation, it being a family charity, a recruitment process was not required. The trustees consult professional advisers to supplement their own skill sets, as required.

Induction and trustee training

Each of the trustees received copies of the governing documents and trustee policies. This included guidance on operational matters, including grant making, and on the responsibilities of charity trustees, as set out in Charity Commission guidance.

Key Management personnel

The key management personnel are considered to be the trustees, who are not remunerated for their roles.

Fundraising statement

The charities do not actively solicit donations and therefore are not registered with the Fundraising Regulator or subscribe to any fundraising codes of practice. When donations from individuals are received, the charities aim to protect personal data and never sell data or swap data with other organisations. During 2021, the charities received no complaints about fundraising activities.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and 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 period, which give a true and fair view of the state of affairs of the Foundation and of the income and expenditure, of the Foundation 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 in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

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

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the Foundation's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the Foundation. The trustees have held a number of meetings, discussions and reviews by conference call and e-mail throughout the year to review developments with regard to the Foundation, its grant-giving activities and to make any important decisions.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management reporting (continued)

When necessary, the trustees seek advice and support from the Foundation's professional advisers including investment managers, bankers and auditor. The day-to-day management of the charity's activities and implementation of policies is delegated to the Foundation Secretary, Ms Jade H Light-Häusermann.

Risk management

The trustees discuss any risks to which the charity may be exposed during the course of their meetings; in particular those relating to its investments and its finances. The trustees resolved that its asset allocation as outlined in the investment policy shall remain unchanged. Accordingly, the funds of the Foundation remain in US dollars and sterling. The activities of the Foundation are not such that it is exposed to any other significant risks, and the trustees intend to carry out further risk assessments in due course.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives and activities

The Foundation's fund and income are to be applied towards the benefit of such charitable purposes, institutions or foundations as the trustees in their absolute and uncontrolled discretion determine.

The Foundation makes awards of grants to a range of charities and charitable activities in accordance with the Foundation's grant making policy as set out below.

Grant making policy

The trustees meet regularly to decide on the distribution of income and funds held by the charity. The Foundation is a general grant-making charity and makes grants to charitable organisations or charitable projects that are connected with the advancement of: education, the arts, and/or health (including the promotion of education in medicine and the medical sciences).

As a grant-funder, the Foundation's activities will provide public benefit to the individuals and communities who are beneficiaries of its funded projects. The trustees have complied with their duty to have due regard to the guidance of public benefit published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

In 2021, grants were paid to the following charitable organisations:

	Grant £
Courtauld Institute of Art Fund	80,000
The Difference	50,000
Royal Academy of Arts	15,000
Shobana Jeyasingh Dance Company	25,000
Swiss Institute	43,646
Cornubian Arts and Science Trust	50,000
	263,646

The Cornubian Arts and Science Trust developed a programme of outdoor creative activities for children and families (CAST-Off) during the first COVID lockdowns and offered this again in the summer of 2021. Over one thousand six hundred children took part throughout August. CAST's Art Lab learning programme for schools returned in October 2021 with a bright new workshop on the theme of colour ('Chromacopia') which introduced the science behind colour perception, the role of colour in nature, and the value and the power of colour in communication and art. Three hundred and forty children participated from eight schools with sessions tailored for different age groups from four to eleven years old and in line with school curriculum. In May, CAST launched a pilot Saturday club for twelve- to sixteen-year olds from two local sixth-form colleges, a special programme of artist-led sessions. The teenagers had the opportunity to visit studios at CAST and beyond and to meet a wide range of artists at different career stages, from recent graduates to those working on significant commissions and high-profile exhibitions. A second series of Saturday Club sessions followed in the autumn with more children and strong demand to continue the programme.

The donation to the Courtauld Institute of Art supported a commission by Cecily Brown who was inspired by the Courtauld's collection and architecture. The resulting work is one of the most memorable features of the Gallery's reopening and was installed in one of the most prominent positions in the Gallery: at the top of the main staircase. This was a technically challenging installation on a curved wall, in three parts, and an important focal point for visitors. The painting demonstrates how contemporary painting grows out of the past and will play an important role in attracting a larger and more diverse range of audiences to The Courtauld, including younger visitors. The Gallery plans to actively use the painting as part of its public and schools programming, as well as tours and talks that will lead into other areas of The Courtauld's collection and the themes it raises. The Courtauld plans to display this piece for approximately three years pending further discussion with the artist.

The Difference works to improve the lives of the most vulnerable children by raising the status and expertise of those who educate them. It produces specialist senior school leaders through the Difference Leadership Programme. Having completed its pilot study, it is now in a steady state and growing. 2020-21 was the second year of the programme and it expanded outside London to work in Alternative Provision schools in the North West and East Midlands. New schools signed up and the teacher training programme (an important source of income) proved successful with repeat uptakes. The Difference also launched a second programme, the Inclusive Leadership Course, for senior leaders of inclusion in mainstream schools. It has now supported over one hundred and fifty schools nationwide across local authorities and some of the largest multi-academy trusts.

The Royal Academy of Arts (RA) is run by artists and funded by art-lovers. Like so many other arts organisations, it was hit hard by the coronavirus crisis and did not receive any funding from the Government. Patrons play a vital role in allowing the RA to continue to function as an independent charitable organisation. The Royal Academicians who govern the Academy are at the heart of Academy life, teaching in the RA Schools, giving public lectures and talks, exhibiting works in the Summer Exhibition, and attending and hosting events. The RA Schools has been a key part of the Royal Academy since its foundation in 1769 and offers a full-time three-year programme to seventeen early career artists each year. It is a studio-based programme and critical discussion is developed through lectures, group critiques, tutorials and artist talks. The programme is fee-free and financial support is offered through bursaries, contributions to the cost of some materials, and a student support fund. Given the high student-to-tutor ratio, each student's art practice is subject to in-depth and sustained discussion. Its graduates have contributed to art and culture in the U.K. and internationally through art practice, education, research, curatorial practice and collaboration.

Shobhana Jeyasingh Dance's (SJD) Learning and Participation Programme is at the heart of their work, empowering participants to become curious, creative, and experimental through dance. Having had to adapt its strategy and activity in line with COVID-19 guidance, in 2021 the charity continued to deliver an ambitious programme to over two thousand participants (pre-COVID figure) with new and increased use of technology/digital media. SJD developed a project with two local schools in partnership with the National Gallery which got pupils outside the classroom. It developed a major new stage production '*Clorinda*', a new interpretation of Claudio Monteverdi's opera '*Il Combattimento di Tancredi e Clorinda*', which explores topical themes of mistaken identity, love and war across the barrier of race, as well as religion and politics. SJD created a film '*Clorinda*', a separate project from the stage version, to reach larger audiences and generate income. Additionally, SJD is researching commercial distribution of its digital assets effectively to enable audiences to view/purchase its repertory online.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Swiss Institute (SI) offers creative experiences and programming for a breadth of audiences in the most need within the East Village, an area in New York City which has always been a destination for immigrants and artists. Its community programmes are held in partnership with local schools and celebrated local organisations, such as the Women's Prison Association. It offers primary school-aged children and their caregivers a series of free workshops and runs a Contemporary Art Topics class for older individuals living in the local area during which students work collaboratively to produce a culminating project. Its teaching is led by artists and inspired by the current exhibitions. SI also partners with Young New Yorkers providing a class to Project Reset, an early diversion programme in three New York boroughs that provides individuals arrested on low-level, non-violent misdemeanours an alternative to appearing in court and a way to avoid a criminal record. SI offers four artist residencies each year to support artists beyond commissions and exhibitions; there are no deadlines and no production requirements. For three months, residents are provided with an apartment with studio space close to its galleries with the institute serving as a liaison between the artist and the city.

FINANCIAL REVIEW

Results for the year

During the year ended 31 December 2021, total income amounted to £652,448 (2020 – £11,164) predominantly donations received, foreign exchange gains and interest earned on deposit accounts.

Grants were made to six charitable organisations totalling £263,646 (2020 – £265,574 to 6 charitable organisations). The net surplus for the year amounted to £442,875 (2020 – net expenditure of £554,496) after accounting for exchange gains of £27,448 (2020 – exchange loss of £88,969) and governance costs of £20,927 (2020 – £11,117). Thus the total shareholder's funds of the Foundation at 31 December 2021 amounted to £4,994,158 (2020 – £4,551,283). The exchange gains are due to the strengthening of the dollar against sterling over 2021, with \$1 being worth £0.732 at the start of the year and £0.739 at the end.

Reserves and investment policy

The Foundation has been established with initial donations from Dr John Garcia, who has expressed a desire to establish the charity as an endowed Foundation on an enduring basis. It is the trustees' intention to continue to meet grants from the income and capital of the Foundation for the foreseeable future, working with Dr Garcia and his family to formulate longer term spending plans.

As this longer-term strategy has to be fully developed, the trustees have not sought to invest in assets, which would expose the Foundation's funds to market risk, and accordingly all funds continue to be held in bank deposits. In due course, the trustees will formulate an appropriate investment strategy for its funds that takes into account its long-term grants and reserve policy; until then the funds will continue to be held on deposit in US dollars and sterling.

FUTURE PLANS

The trustees do not anticipate any significant changes to the Foundation or its activities over the foreseeable future; the areas of focus will continue to be education, health and art related topics for the benefit of society.

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the trustees:

A handwritten signature in black ink, appearing to read 'J. Garcia', written over a horizontal line.

Dr John L. Garcia

Approved on: 28 October 2022

Independent auditor's report to the members of The Garcia Family Foundation (UK) Limited

Opinion

We have audited the financial statements of The Garcia Family Foundation (UK) Limited (the 'charitable company') for the year ended 2021 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 31 December 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 and financial statements. 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.

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 trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate 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.

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:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the Charity from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the Charity. These included, but were not limited to, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019);
- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Reading the minutes of meetings of Trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



31 October 2022

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year ended 31 December 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Income and expenditure			
Income from:			
Donations including associated Gift Aid		625,000	—
Interest received		—	11,164
Foreign exchange gain on translation		27,448	—
Total income		652,448	11,164
Expenditure on:			
Charitable activities			
. Grants payable	1	209,573	476,691
Foreign exchange loss on translation		—	88,969
Total expenditure		209,573	565,660
Net (expenditure) / income and net movement in funds for the period	9	442,875	(554,496)
Balances brought forward at 1 January 2021		4,551,282	5,105,778
Balances carried forward at 31 December 2021		4,994,157	4,551,282

All the Foundation's activities derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 18 to 20 form part of these financial statements.

All funds are unrestricted.

Balance sheet 31 December 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	5	274,219	149,219
Cash at bank		4,858,310	4,616,464
		5,132,529	4,765,683
Creditors: amounts falling due within one year	6	(138,371)	(114,400)
Net current assets		4,994,158	4,651,283
Creditors: amounts falling due after one year		—	(100,000)
Total net assets		4,994,158	4,551,283
The funds of the charity:			
Capital and reserves			
. Called up share capital	8	1	1
. Unrestricted general fund		4,994,157	4,551,282
Shareholder's funds	9	4,994,158	4,551,283

Approved and authorised for issue by the trustees
and signed on their behalf by:



John L. Garcia, Trustee

Approved on: 28 October 2022

Garcia Family Foundation (UK) Limited

Company registration number: 07465181 (England and Wales)

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) Section 1A issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts may require the trustees to make significant judgements and estimates. In the trustees' opinion, no such judgements or estimates were necessary in preparing these financial statements.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2022, the most significant areas that can affect the carrying value of the assets held by the charity is the interest earned on cash balances held and the movements in exchange rates between US Dollar and Sterling.

Incoming resources

All income is credited to the statement of financial activities on a receivable basis.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT that cannot be recovered.

Resources expended comprise the following:

- a. Charitable activities comprise grants payable in promoting and enhancing charitable work carried out by other charitable organisations. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.
- b. Support costs are the costs incurred by the charitable company that are not directly charitable, but support its charitable work. They are allocated 100% to charitable activities.

Governance costs, which include audit fees, are the costs associated with the governance arrangements of the charitable company and are included within support costs.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The unrestricted general fund represents monies that are freely available for application towards achieving any charitable purpose that falls within the Foundation's charitable objects.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the financial period. Foreign exchange gains or losses are recognised in the statement of financial activities in arriving at the net movement in funds.

1 Charitable activities

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Grants payable		
Recipients		
AHA! (2020: \$10,000)	—	7,787
Cornubian Arts and Science Trust	—	150,000
Courtauld Institute of Art (Courtauld Connects)	80,000	100,000
The Difference Education Ltd.	—	150,000
Goldsmiths College	—	50,000
Royal Academy of Arts	15,000	—
Shobana Jeyasingh Dance	50,000	—
Swiss Institute (USD \$60,000 (2020: \$10,000))	43,646	7,787
Grants approved in the year	188,646	465,574
Grant support costs		
Governance costs (100% allocation)	20,927	11,117
Total	209,573	476,691

2 Governance costs

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Audit fee	3,900	3,720
Other fees paid to auditor		
. Tax compliance for UK entity	5,607	5,726
. Tax compliance for US entity	8,045	—
Legal and compliance	1,198	1,189
Bank charges	2,177	482
	20,927	11,117

3 Trustees' remuneration

The Foundation has no employees.

No trustees received any remuneration. No expenses were reimbursed to, or paid on behalf of, any trustees. The key management personnel of the charity are the trustees.

4 Taxation

The Garcia Family Foundation (UK) Limited is a registered charity and therefore is not liable to income tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

5 Debtors

	Total 2021 £	Total 2020 £
Gift Aid receivable	274,219	149,219
	274,219	149,219

6 Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Grants payable	125,000	100,000
Accrued expenditure	13,371	14,400
	138,371	114,400

7 Creditors: amounts falling due after one year

	Total 2021 £	Total 2020 £
Grants payable	—	100,000
	—	100,000

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Reconciliation of grants payable		
Commitments at 1 January 2021	200,000	300,000
Grants approved in the year	188,646	465,574
Grants paid in the year	(263,646)	(565,574)
Commitments at 31 December 2021	125,000	200,000

8 Called up share capital

	Authorised 2021 £	Allotted, called up and fully paid 2021 £	Authorised 2020 £	Allotted, called up and fully paid 2020 £
Ordinary shares of £1 each	1	1	1	1

9 Reconciliation of movements in shareholder's funds

	Total 2021 £	Total 2020 £
Opening shareholder's funds at 1 January 2021	4,551,283	5,105,779
Net income/(expenditure) for the period	442,875	(554,496)
Closing shareholder's funds at 31 December 2021	4,994,158	4,551,283

10 Related party transactions

Dr John Garcia is a member of the governing board of the Courtauld Institute of Art. During the year, grants totalling £80,000 (2020 - £100,000) were approved for payment to the Institute.

Dr John Garcia is a trustee of the Swiss Institute of Contemporary Arts. During the year, grants totalling £43,646 (2020 - £7,787) were approved for payment to the Institute.

11 Ultimate holding company and control

The charitable company is wholly owned by the Garcia Family Foundation (US), a US tax-exempt charitable organisation, and was founded to carry out the work of that entity in the UK.

The activities of the company are controlled by the trustees of the company.

There were no transactions with the holding company during this period.