

**COMPANY REGISTRATION NUMBER: 07554557**  
**CHARITY REGISTRATION NUMBER: 1140916**

**ALACRITY FOUNDATION**  
**Company Limited by Guarantee**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**ALACRITY FOUNDATION**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**Year ended 31 March 2021**

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# **ALACRITY FOUNDATION**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**

**Year ended 31 March 2021**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

#### **Reference and administrative details**

**Registered charity name** Alacrity Foundation

**Charity registration number** 1140916

**Company registration number** 07554557

**Principal office and registered office** Alacrity House  
Moderator Wharf  
Kingsway  
Newport  
NP20 1HG

#### **The trustees**

Prof S J Gibson CBE  
Mrs D E Williams  
Mrs H M Lappin-Scott  
Ms M D Evans

**Company secretary** Mr M Colcomb

**Auditor** Kilsby & Williams LLP  
Chartered accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY

## **ALACRITY FOUNDATION**

### **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

#### **Year ended 31 March 2021**

##### **Structure, governance and management**

The Alacrity Foundation ('the Foundation') is a registered charity and is governed by a Board of Trustees that oversees the following activities of the Foundation;

1. To agree and regularly monitor the Foundation's strategic directions and ensure that it pursues its stated objectives.
2. Ensure that the organisation functions within the legal, charitable and financial requirements of a charitable organisation.
3. Setting overall policy, defining goals, setting targets, and evaluating performance against agreed targets.
4. To ensure the financial stability of the organisation and the proper investment of funds in accordance with the Foundation's stated aims and objectives and relevant legislation.

The executive team's purpose is to implement strategies and conduct activities in accordance with the overall objectives of the Foundation and appropriate steer and governance from the Board of Trustees.

As Chairman, Simon Gibson is a founding member of the Board of Trustees with responsibility for overseeing the executive team of the Foundation and providing strategic and operational support for its activities. He is also responsible for stakeholder relationships and developing funding streams for the Foundation.

##### **Appointment, Induction and Training of New Trustees**

Complying with the statement of recommended practice (SORP) (2015), Trustees are appointed, inducted and trained transparently, effectively and efficiently.

The Articles of Association state that there shall not be more than seven Trustees and they shall be appointed as follows:

- one may be appointed from time to time by Wesley Clover (for as long as Wesley Clover remains a Member);
- one may be appointed from time to time by the Welsh Ministers (for as long as the Welsh Ministers remain a Member);
- one may be appointed from time to time by the Trustees of The Waterloo Foundation (for as long as the Trustees of The Waterloo Foundation remain a Member); and
- the Trustees may, with the prior written approval of Wesley Clover and the Welsh Ministers (in each case for as long as such party shall remain a Member), appoint any other person as a Trustee.

The Articles of Association also require that there are not less than three Trustees at all times and the Trustees shall from time to time, subject to the consent of Wesley Clover and the Welsh Ministers (in each case for as long as such party shall remain a Member), appoint one of their number as Chairman.

Where an annual general meeting is held it shall note the retirement of those Trustees who have retired during the previous financial year and the appointment of replacement or additional Trustees. There were no changes in the composition of the Board of Trustees in the period.

Care is taken to ensure that the Trustees should have the diverse range of skills, experience and knowledge needed to run an organisation effectively and Trustees ensure that they receive the necessary induction, training and on-going support they need to discharge their duties.



## **ALACRITY FOUNDATION**

### **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**Year ended 31 March 2021**

#### **Objectives and activities**

The Alacrity Foundation in the UK is established with the mandate to mentor and train the most suitable graduates and create a new generation of British technology-based companies. The Alacrity scheme is based on a proven methodology for commercialising technology and creating successful entrepreneurs.

The objectives of the Foundation are specifically restricted to the advancement of education and learning, in particular but not limited to business studies, business management practice and the development of engineering and technology for the benefit of the public.

The Alacrity Foundation provides an intensive training environment with mentors and industry partners to prepare graduates for entrepreneurship in the technology sector. During the 15 month Alacrity programme graduates will develop essential product management, commercialisation and entrepreneurial skills. In addition to this applied learning, graduates will be mentored by experts and senior executives in a variety of disciplines. This training will prepare graduates to run a successful scalable high technology company.

The program is experiential in nature, where graduates are assigned to projects that form the basis of a real technology product or service opportunity. The Foundation facilitates industry sponsors bringing known problems from the marketplace to the project teams. The teams then try to build products to solve these real-world business issues. If successful, the project team will have created an opportunity to start a commercial relationship with the industry sponsor. Together they will form a new technology company, with continuing support and funding assistance to give the graduates an invaluable head-start to an entrepreneurial future.

#### **Public benefit**

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

#### **Achievements and performance**

The specific highlights that have occurred since last year include the following;

1. Continued the incremental development of the programme.
2. Implemented an effective graduate recruitment strategy with a remit to attract a diverse cohort.
3. Effectively delivered the technology-focused entrepreneurship education programme with in excess of 60 mentoring sessions.
4. Enrolled 30 graduate recruits on to the 2020-21 programme.
5. Successfully delivered two five-week bootcamps, one in coding and the other in business.
6. Continued to develop Alacrity Foundation's network of project and mentoring partners.
7. Delivered additional support to stakeholders and the digital ecosystem in Wales and the UK.
8. Maintained the financial viability of operations through sound fiscal management.

#### **Financial review**

The Foundation made a loss of £109,501 (2020 - £8,721) during the year. Included in the loss for the year is an impairment loss on investments of £53,097 (2020 - £15,000). Although a loss was incurred, the Foundation's retained earnings and cash at bank balances remained strong at the balance sheet date, being £790,589 and £694,379 respectively.

Any surplus funds will be allocated to the recruitment of additional graduates (over the projected 18 per cohort) and other improvements to the programme delivery as the current funding round moves towards completion.

## **ALACRITY FOUNDATION**

### **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**Year ended 31 March 2021**

#### **Financial review *(continued)***

##### **Investment policy**

Under the Memorandum and Articles of Association the charity has the power to invest for the furtherance of the charity's principle activity. All investments comply with the Charity Commission guidelines.

The Trustees, having regard to the liquidity requirements of the charity have operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in fixed term deposit accounts that can be accessed easily when needed.

##### **Plans for future periods**

The objectives going forward into the next year are:

1. To further develop and implement the Alacrity Foundation programme.
2. To continue to enhance the breadth and quality of entrepreneurship training for the teams.
3. To develop a network of strategic partners for team projects.
4. To enhance symbiotic work with higher education institutions in the development of the programme and products.
5. To expand the operations of the Foundation in terms of its range of programmes and geographic coverage in the UK.

##### **Trustees' responsibilities statement**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

**ALACRITY FOUNDATION**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S  
REPORT) *(continued)***

**Year ended 31 March 2021**

**Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 15 Dec 21 and signed on behalf of the board of trustees by:



**Prof S J Gibson CBE**  
Trustee





## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALACRITY FOUNDATION**

**Year ended 31 March 2021**

#### **Opinion**

We have audited the financial statements of Alacrity Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 March 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;
- 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 charity 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 charity'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.





## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALACRITY FOUNDATION *(continued)***

**Year ended 31 March 2021**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the knowledge and understanding of the charity 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 directors' report and from the requirement to prepare a strategic report.



**KILSBY  
WILLIAMS**  
Chartered Accountants

## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALACRITY FOUNDATION (continued)**

**Year ended 31 March 2021**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity 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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.





## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALACRITY FOUNDATION *(continued)***

#### **Year ended 31 March 2021**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALACRITY  
FOUNDATION *(continued)***

**Year ended 31 March 2021**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Jonathan Harthy (Senior Statutory Auditor)**

**For and on behalf of**  
Kilsby & Williams LLP  
Chartered accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY

*Jonathan Harthy*  
*15 December 2021*



**ALACRITY FOUNDATION****COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)****Year ended 31 March 2021**

|  |            | <b>2021</b>        | <b>2020</b>      |
|--|------------|--------------------|------------------|
|  |            | Unrestricted funds | Total funds      |
|  | Note       | £                  | £                |
| <b>Income and endowments</b>                     |            |                    |                  |
| Donations and legacies                           | <b>5</b>   | 1,115,833          | 1,115,833        |
| Charitable activities                            | <b>6</b>   | 30,000             | 30,000           |
| Investment income                                | <b>7</b>   | 24                 | 24               |
| <b>Total income</b>                              |            | <u>1,145,857</u>   | <u>1,145,857</u> |
| <b>Expenditure</b>                               |            |                    |                  |
| Expenditure on charitable activities             | <b>8,9</b> | 1,202,261          | 1,202,261        |
| <b>Total expenditure</b>                         |            | <u>1,202,261</u>   | <u>1,202,261</u> |
| Net losses on investments                        | <b>11</b>  | (53,097)           | (53,097)         |
| <b>Net expenditure and net movement in funds</b> |            | <u>(109,501)</u>   | <u>(109,501)</u> |
| <b>Reconciliation of funds</b>                   |            |                    |                  |
| Total funds brought forward                      |            | 900,090            | 900,090          |
| <b>Total funds carried forward</b>               |            | <u>790,589</u>     | <u>900,090</u>   |

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

**ALACRITY FOUNDATION**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL POSITION**  
**31 March 2021**

|   | Note | 2021<br>£      | 2020<br>£        |
|---|------|----------------|------------------|
| <b>FIXED ASSETS</b>                                   |      |                |                  |
| Tangible fixed assets                                 | 17   | 29,249         | 5,579            |
| Mixed motive investments                              | 18   | 111,903        | 135,000          |
|   |      | <u>141,152</u> | <u>140,579</u>   |
| <b>CURRENT ASSETS</b>                                 |      |                |                  |
| Debtors   | 19   | 252,689        | 1,238            |
| Cash at bank and in hand                              |      | 694,379        | 1,277,739        |
|   |      | <u>947,068</u> | <u>1,278,977</u> |
| <b>CREDITORS: amounts falling due within one year</b> | 20   | 297,631        | 519,466          |
| <b>NET CURRENT ASSETS</b>                             |      | <u>649,437</u> | <u>759,511</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>790,589</u> | <u>900,090</u>   |
| <b>NET ASSETS</b>                                     |      | <u>790,589</u> | <u>900,090</u>   |
| <b>FUNDS OF THE CHARITY</b>                           |      |                |                  |
| Unrestricted funds                                    |      | 790,589        | 900,090          |
| <b>Total charity funds</b>                            | 22   | <u>790,589</u> | <u>900,090</u>   |

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

These financial statements were approved by the board of trustees and authorised for issue on 15/12/21, and are signed on behalf of the board by:



Prof S J Gibson CBE  
Trustee

The notes on pages 14 to 22 form part of these financial statements.

**ALACRITY FOUNDATION**  
**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF CASH FLOWS**

**Year ended 31 March 2021**

|   | <b>2021</b>      | <b>2020</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                  |                  |
| Net expenditure   | (109,501)        | (8,721)          |
| <i>Adjustments for:</i>                                     |                  |                  |
| Depreciation of tangible fixed assets                       | 3,868            | 3,826            |
| Net losses on investments                                   | 53,097           | 15,000           |
| Other interest receivable and similar income                | (24)             | (24)             |
| Loss on disposal of heritage assets                         | 476              | 471              |
| Accrued (income)/expenses                                   | (284,121)        | 505,607          |
| <i>Changes in:</i>  |                  |                  |
| Trade and other debtors                                     | (451)            | 14               |
| Trade and other creditors                                   | (218,714)        | 2,058            |
| Cash generated from operations                              | (555,370)        | 518,231          |
| Interest received   | 24               | 24               |
| Net cash (used in)/from operating activities                | (555,346)        | 518,255          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                  |                  |
| Purchase of tangible assets                                 | (28,014)         | (3,616)          |
| Net cash used in investing activities                       | (28,014)         | (3,616)          |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b> | (583,360)        | 514,639          |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>       | <b>1,277,739</b> | <b>763,100</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>             | <b>694,379</b>   | <b>1,277,739</b> |

The notes on pages 14 to 22 form part of these financial statements.

## **ALACRITY FOUNDATION**

### **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2021**

#### **1. GENERAL INFORMATION**

The charity is a public benefit entity and a private company limited by guarantee, registered in and a registered charity in England and Wales. The address of the registered office is Alacrity House, Moderator Wharf, Kingsway, Newport, NP20 1HG.

#### **2. STATEMENT OF COMPLIANCE**

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

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.



# **ALACRITY FOUNDATION**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 March 2021**

#### **3. ACCOUNTING POLICIES *(continued)***

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# **ALACRITY FOUNDATION**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 March 2021**

#### **3. ACCOUNTING POLICIES *(continued)***

##### **Tangible assets *(continued)***

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                                  |   |                   |
|----------------------------------|---|-------------------|
| Fixtures, fittings and equipment | - | 15% straight line |
| Computer equipment               | - | 33% straight line |

##### **Mixed motive investments**

Mixed motive investments are held to provide funding to individuals or organisations in order to generate a financial return, as well as contributing to the charity's purposes through the activities funded by the investment. Equity Instruments are measured at their fair value at the reporting date if this can be measured reliably, or at cost less impairment. Concessionary loans are either initially measured at the amount received and paid and then adjusted in subsequent years to reflect repayments, interest and any impairment, or they are initially measured at the fair value and subsequently at their amortised cost using the effective interest method.

Mixed motive investments that are measured at cost or amortised cost are assessed for objective evidence of impairment at the end of each reporting period. Any impairment losses are recognised immediately as an investment impairment within 'gains/(losses) on investments' line in the statement of financial activities.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.



# ALACRITY FOUNDATION

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2021

#### 3. ACCOUNTING POLICIES *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

#### 4. LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

#### 5. DONATIONS AND LEGACIES

|                            | Unrestricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| <b>DONATIONS</b>           |                            |                          |                            |                          |
| Donations                  | 882,500                    | 882,500                  | 883,500                    | 883,500                  |
| Donations - Alacrity Cyber | 233,333                    | 233,333                  | —                          | —                        |
|                            | <u>1,115,833</u>           | <u>1,115,833</u>         | <u>883,500</u>             | <u>883,500</u>           |

#### 6. CHARITABLE ACTIVITIES

|   | Unrestricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|---|----------------------------|--------------------------|----------------------------|--------------------------|
| Other income from charitable activities | 30,000                     | 30,000                   | —                          | —                        |

#### 7. INVESTMENT INCOME

|                          | Unrestricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Bank interest receivable | 24                         | 24                       | 24                         | 24                       |

# ALACRITY FOUNDATION

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2021

#### 8. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

|               | Unrestricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|---------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Bootcamp      | 904,180                    | 904,180                  | 588,149                    | 588,149                  |
| Support costs | 298,081                    | 298,081                  | 289,096                    | 289,096                  |
|               | <u>1,202,261</u>           | <u>1,202,261</u>         | <u>877,245</u>             | <u>877,245</u>           |

#### 9. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

|                  | Activities<br>undertaken<br>directly<br>£ | Support costs<br>£ | Total funds<br>2021<br>£ | Total fund<br>2020<br>£ |
|------------------|---|--------------------|--------------------------|-------------------------|
| Bootcamp         | 904,180                                   | 293,781            | 1,197,961                | 873,745                 |
| Governance costs | –   | 4,300              | 4,300                    | 3,500                   |
|                  | <u>904,180</u>                            | <u>298,081</u>     | <u>1,202,261</u>         | <u>877,245</u>          |

#### 10. ANALYSIS OF SUPPORT COSTS

|   | Bootcamp<br>£  | Total 2021<br>£ | Total 2020<br>£ |
|---|----------------|-----------------|-----------------|
| Staff costs                               | 172,559        | 172,559         | 198,013         |
| Premises                                  | 42,894         | 42,894          | 45,001          |
| Communications and IT                     | 27,733         | 27,733          | 5,739           |
| General office                            | 36,212         | 36,212          | 13,411          |
| Legal and professional                    | 13,577         | 13,577          | 12,353          |
| Motor and travel                          | 762            | 762             | 6,782           |
| Depreciation                              | 3,868          | 3,868           | 3,826           |
| (Profit)/Loss on disposal of fixed assets | 476            | 476             | 471             |
|   | <u>298,081</u> | <u>298,081</u>  | <u>285,596</u>  |

#### 11. NET LOSSES ON INVESTMENTS

|   | Unrestricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Unrestricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|---|----------------------------|--------------------------|----------------------------|--------------------------|
| Gains/(losses) on other investment assets | (53,097)                   | (53,097)                 | (15,000)                   | (15,000)                 |

#### 12. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

|                                       | 2021<br>£  | 2020<br>£  |
|---------------------------------------|------------|------------|
| Depreciation of tangible fixed assets | 3,867      | 3,826      |
| Loss on disposal of heritage assets   | <u>476</u> | <u>471</u> |



# ALACRITY FOUNDATION

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2021

#### 13. AUDITORS REMUNERATION

|  | 2021  | 2020 |
|--|-------|------|
|  | £     | £    |
| Fees payable for the audit of the financial statements | 4,300 | —    |

#### 14. INDEPENDENT EXAMINATION FEES

|   | 2021 | 2020  |
|---|------|-------|
|   | £    | £     |
| Fees payable to the independent examiner for:       |      |       |
| Independent examination of the financial statements | —    | 750   |
| Other assurance services                            | —    | 2,750 |
|   | —    | 3,500 |

#### 15. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

|                       | 2021    | 2020    |
|-----------------------|---------|---------|
|                       | £       | £       |
| Wages and salaries    | 336,823 | 216,923 |
| Social security costs | 29,760  | 20,093  |
|                       | 366,583 | 237,016 |

The average head count of employees during the year was 6 (2020: 5). The average number of full-time equivalent employees during the year is analysed as follows:

|                                  | 2021 | 2020 |
|----------------------------------|------|------|
|                                  | No.  | No.  |
| Number of staff - management     | 4    | 3    |
| Number of staff - administrative | 2    | 1    |
|                                  | 6    | 4    |

The number of employees whose remuneration for the year fell within the following bands, were:

|                    | 2021 | 2020 |
|--------------------|------|------|
|                    | No.  | No.  |
| £60,000 to £69,999 | 1    | —    |
| £90,000 to £99,999 | 1    | 1    |
|                    | 2    | 1    |

#### 16. TRUSTEE REMUNERATION AND EXPENSES

No trustees received reimbursement of expenses or remuneration in the current or previous year.

# ALACRITY FOUNDATION

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2021

#### 17. TANGIBLE FIXED ASSETS

|                         | Fixtures and fittings<br>£ | Equipment<br>£ | Total<br>£    |
|-------------------------|----------------------------|----------------|---------------|
| <b>Cost</b>             |                            |                |               |
| At 1 April 2020         | 6,050                      | 41,179         | 47,229        |
| Additions               | 8,759                      | 19,256         | 28,015        |
| Disposals               | (1,590)                    | (22,874)       | (24,464)      |
| <b>At 31 March 2021</b> | <u>13,219</u>              | <u>37,561</u>  | <u>50,780</u> |
| <b>Depreciation</b>     |                            |                |               |
| At 1 April 2020         | 2,508                      | 39,142         | 41,650        |
| Charge for the year     | 1,381                      | 2,486          | 3,867         |
| Disposals               | (1,588)                    | (22,398)       | (23,986)      |
| <b>At 31 March 2021</b> | <u>2,301</u>               | <u>19,230</u>  | <u>21,531</u> |
| <b>Carrying amount</b>  |                            |                |               |
| <b>At 31 March 2021</b> | <u>10,918</u>              | <u>18,331</u>  | <u>29,249</u> |
| At 31 March 2020        | <u>3,542</u>               | <u>2,037</u>   | <u>5,579</u>  |

#### 18. MIXED MOTIVE INVESTMENTS

|                         | Spin-off investments<br>£ |
|-------------------------|---------------------------|
| <b>Cost</b>             |                           |
| At 1 April 2020         | 150,000                   |
| Additions               | 30,000                    |
| <b>At 31 March 2021</b> | <u>180,000</u>            |
| <b>Impairment</b>       |                           |
| At 1 April 2020         | (15,000)                  |
| Impairment losses       | (53,097)                  |
| <b>At 31 March 2021</b> | <u>(68,097)</u>           |
| <b>Carrying amount</b>  |                           |
| <b>At 31 March 2021</b> | <u>111,903</u>            |

#### 19. DEBTORS

|                                | 2021<br>£      | 2020<br>£    |
|--------------------------------|----------------|--------------|
| Prepayments and accrued income | <u>252,689</u> | <u>1,238</u> |

# ALACRITY FOUNDATION

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2021

#### 20. CREDITORS: amounts falling due within one year

|                                 | 2021           | 2020           |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Trade creditors                 | 13,251         | –              |
| Accruals and deferred income    | 274,131        | 510,585        |
| Social security and other taxes | 10,249         | 8,881          |
|                                 | <u>297,631</u> | <u>519,466</u> |

#### 21. DEFERRED INCOME

|                           | 2021           | 2020           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| At 1 April 2020           | 500,000        | –              |
| Amount released to income | (233,333)      | –              |
| Amount deferred in year   | –              | 500,000        |
| At 31 March 2021          | <u>266,667</u> | <u>500,000</u> |

#### 22. ANALYSIS OF CHARITABLE FUNDS

##### Unrestricted funds

|               | At 1<br>April 2020 | Income           | Expenditure        | Gains and<br>losses | At 31<br>March 2021 |
|---------------|--------------------|------------------|--------------------|---------------------|---------------------|
|               | £                  | £                | £                  | £                   | £                   |
| General funds | <u>900,090</u>     | <u>1,145,857</u> | <u>(1,202,261)</u> | <u>(53,097)</u>     | <u>790,589</u>      |

  

|               | At 1<br>April 2019 | Income         | Expenditure      | Gains and<br>losses | At 31<br>March 2020 |
|---------------|--------------------|----------------|------------------|---------------------|---------------------|
|               | £                  | £              | £                | £                   | £                   |
| General funds | <u>908,811</u>     | <u>883,524</u> | <u>(877,245)</u> | <u>(15,000)</u>     | <u>900,090</u>      |

**ALACRITY FOUNDATION****COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 31 March 2021****23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                            | Unrestricted<br>Funds | Total Funds<br>2021 |
|----------------------------|-----------------------|---------------------|
|                            | £                     | £                   |
| Tangible fixed assets      | 29,249                | 29,249              |
| Investments                | 111,903               | 111,903             |
| Current assets             | 947,068               | 947,068             |
| Creditors less than 1 year | (297,631)             | (297,631)           |
| <b>Net assets</b>          | <b>790,589</b>        | <b>790,589</b>      |

  

|                            | Unrestricted<br>Funds | Total Funds<br>2020 |
|----------------------------|-----------------------|---------------------|
|                            | £                     | £                   |
| Tangible fixed assets      | 5,579                 | 5,579               |
| Investments                | 135,000               | 135,000             |
| Current assets             | 1,278,976             | 1,278,976           |
| Creditors less than 1 year | (519,465)             | (519,465)           |
| <b>Net assets</b>          | <b>900,090</b>        | <b>900,090</b>      |

**24. ANALYSIS OF CHANGES IN NET DEBT**

|                          | At 1 Apr 2020    | Cash flows       | At 31<br>Mar 2021 |
|--------------------------|------------------|------------------|-------------------|
|                          | £                | £                | £                 |
| Cash at bank and in hand | <u>1,277,739</u> | <u>(583,360)</u> | <u>694,379</u>    |