

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

Company Number 08966741

Charity Number 1157301

	Page
Company Information	2
Trustees' Report	3 - 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 - 8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Accounting Policies	12 & 13
Notes to the Financial Statements	14 - 16

Trustees	Alfred Cavallaro Belma Gaudio Julius Gaudio
Company Number	08966741
Charity Number	1157301
Registered Office	Withers LLP Third Floor 20 Old Bailey London EC4M 7AN
Auditors	PKF Littlejohn LLP Statutory Auditors 15 Westferry Circus Canary Wharf London E14 4HD

The Directors, being the Trustees under charity law, present their report and audited financial statements for the year to 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the Charity.

Reference and Administrative Information

The Gaudio Family Foundation (UK) Limited (the "Foundation," "Charity," or "Charitable Company") is a company limited by share capital registered as company number 08966741. The Charity is also registered with the Charity Commission under charity number 1157301. The Trustees and principal address of the Charity are listed, along with particulars of its professional advisors, on page 2.

Structure, Governance and Management

The Charity does not employ any staff, all decisions being made by the Trustees. A comprehensive briefing pack including all relevant corporate documents (related to formation and compliance) and financial statements is provided to all newly appointed Trustees.

Governing Instruments

The Charity is governed by its Memorandum and Articles of Association, dated 28 March 2014.

Objects, Aims, Objectives and Activities

Charitable Objects

The Charity operates as a grant making foundation. The charitable objects of the Charity are exclusively charitable purposes for the public benefit. In the furtherance of its general charitable purposes, the Directors, as Trustees of the Charity, have complied with the duty in s.17(5) of the Charities Act 2011 and have due regard to the Charity Commission's published general guidance concerning the interpretation of the Public Benefit requirement under that Act.

Aims and Intended Impact

Within these objects, the Foundation aims to provide grants aimed at:

- Relieving poverty, especially in urban areas;
- Advancing and improving education, particularly for disadvantaged children in impoverished areas; and
- Various other charitable endeavours at the discretion of the Trustees.

Financial review

During the year, the Charity made a surplus of income over expenditure, before foreign exchange gains and losses and investment gains and losses, of £7,267,242 (2020 - £10,171,650) all of which is unrestricted. Grants made in the year, totalling £3,666,892 (2020 - £5,032,252), have been in line with the established Grant Making Policy and are set out in note 3 to the financial statements on page 14. There have been no significant issues or problems in the year or after the year end, despite the impact of Covid-19, through the date of signing of this report.

The Trustees have regard to the main risks to the Charity, which include misapplication of grants by beneficiaries, grantee insolvency or mismanagement, and failure of a funded project to provide sufficient public benefit. These are addressed through regularly obtaining reports from grant recipients and evidence of projects funding being implemented successfully; appropriate due diligence is undertaken in respect of proposed grantees to ensure funded projects are exclusively charitable. Further, multi-year grant commitments are generally not made, thereby limiting the risk to the Charity.

Financial review (continued)

The Charity invests the funds not immediately required for its charitable grant-making in accordance with its adopted Investment Policy Statement which is reviewed regularly by the Trustees. The Charity's investments are made with the intention of providing a reasonably stable, growing, and predictable income stream in the form of dividends, interest and realised gains sufficient to allow distribution of grants in furtherance of the Charity's purposes, settle all administrative costs, and to protect the Charity's investment capital for the long-term. In the period, assets were held in a diversified portfolio, including a mixture of fixed income and equity investments, with some assets managed on the Charity's behalf by Coutts & Co. The performance of the investment manager is subject to regular monitoring and review by the Trustees.

The Charity has significant unrestricted funds, minimal financial risk, and only modest overheads. Because all anticipated costs and expenditures are amply provided for, the Trustees have not formally adopted a prescriptive reserves policy.

Plans for Future Periods

Having received significant donations of £7,305,158 (2020 - £13,498,427) from a Trustee in the year, the Foundation will consider a range of worthy new projects to fund, consistent with its mission and Grant Making Policy, including, without limitation, making grants to museums for charitable purposes and to relieve poverty and increase access to food and health services for vulnerable women and children, advance education for women and children, and protect vulnerable populations from abuse and exploitation. In the coming financial periods, the Trustees intend to increase the level of grant making, as well as aiding entities particularly hard hit by Covid-19, which are still experiencing the effects of the global pandemic.

Directors' Interests

No Director had any beneficial interests in the shares of the Charitable Company at 31 December 2021 (2020 – none).

Provision of information to Auditors

So far as each of the Directors is aware at the time this report is approved:

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

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditors.

Status of this Trustees' Report

In preparing this report, the Directors have taken advantage of the small companies exemption provided by section 485 of the Companies Act 2006.

By Order of the Board

Alfred Cavallaro

Trustee

27/9 September 2022

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company and Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with Charities' Statement of Recommended Practice, Accounting and Reporting by Charities (United Kingdom Financial Reporting and Accounting Standards and applicable law). Under Company and Charity 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 Charitable Company and of the surplus of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) has been followed, and disclose and explain any departures therefrom in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the shareholder of The Gaudio Family Foundation (UK) Limited**Opinion**

We have audited the financial statements of The Gaudio Family Foundation (UK) Limited (the 'Charitable Company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 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 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' annual report. Our opinion on the financial statements does not cover the other information and 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 includes the Directors' report prepared 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 Directors' report included within 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 Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company's 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Statement of Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the Charitable Company's 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 Charitable Company's 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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 obtained an understanding of the Charitable Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Charitable Company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008 and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Charitable Company with those laws and regulations. These procedures included, but were not limited to, enquiries of Trustees and review of governing documentation.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the completeness of liabilities was also an area of risk.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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 and to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charitable Company's members and Trustees 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 and the Charitable Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)

For and on behalf of
PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

27 September 2022

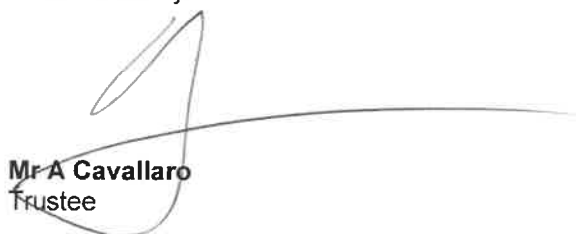
	Note	2021	2020
Income and endowments from:			
Donations	1	7,305,158	13,498,427
Gift aid		3,601,167	1,760,030
Investment income		349,702	153,128
Total Income		11,256,027	15,411,585
Expenditure on:			
Cost of raising funds	2	118,074	31,536
Charitable activities	3	3,870,711	5,208,399
Total Expenditure		3,988,785	5,239,935
Net income for the year		7,267,242	10,171,650
Other gains/(losses)			
Foreign exchange		(57,577)	254,429
Investments		1,960,535	1,413,127
Net movement in funds	4	9,170,200	11,839,206
Balance brought forward at start of year		34,042,913	22,203,707
Balance carried forward at end of year		£43,213,113	£34,042,913

All income and expenditure is unrestricted and derives from continuing activities.

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

		2021	2020
Fixed Assets			
Investments	5	26,187,823	17,130,387
Current Assets			
Debtors			
Unpaid share capital		1	1
Cash at bank and in hand		17,049,163	16,926,666
		<u>17,049,164</u>	<u>16,926,667</u>
Creditors: amounts falling due within one year	6	(23,873)	(14,140)
		<u></u>	<u></u>
Net Current Assets		17,025,291	16,912,527
Net Assets		<u>£43,213,114</u>	<u>£34,042,914</u>
Reserves			
Called up share capital	7	1	1
General fund	8	43,213,113	34,042,913
		<u>£43,213,114</u>	<u>£34,042,914</u>

These Financial Statements were approved by the Board of Trustees on 27 September 2022 and signed on its behalf by:


Mr A Cavallaro
Trustee

	2021	2020
Net cash flow from operating activities (see below)	6,927,273	10,025,662
Cash from investing activities		
Payments to acquire investments	(21,926,987)	(17,805,673)
Increase in cash held at investment managers	(406,946)	(146,273)
Proceeds from sale of investments	15,237,032	10,153,837
Dividends and interest from investments	349,702	153,128
Net cash flow by investing activities	(6,747,199)	(7,644,981)
Effect of exchange rate fluctuations on cash held	(57,577)	254,429
Change in cash and cash equivalents in the year	122,497	2,635,110
Cash and cash equivalents brought forward	16,926,666	14,291,556
Cash and cash equivalents carried forward	£17,049,163	£16,926,666
Net income for the year	7,267,242	10,171,650
Dividends and interest from investments	(349,702)	(153,128)
Increase/(Decrease) in creditors	9,733	7,140
Net cash flow from operating activities	£6,927,273	£10,025,662

The Accounting Policies and Notes on pages 12 to 16 form part of these Financial Statements.

General information and basis of preparation

The Gaudio Family Foundation (UK) Limited is a charitable company limited by shares, incorporated on 31 March 2014 and registered as a charity on 3 June 2014 in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are making of grants.

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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised as expenditure on charitable activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs have been included within charitable activities and consist of the costs of running the charity.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Gains and losses on foreign exchange are shown in the Statement of Financial Activities.

Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Tax

As a registered charity (and having been duly recognised as such by HMRC), the Foundation is entitled to certain tax exemptions on income and profits from investments carried on in furtherance of the charitable company's primary objectives, if these profits are applied solely for charitable purposes.

1. Donations

Income in the year was unrestricted and in the form of donations from a Trustee (see note 10).

2. Costs of raising funds

	2021	2020
Investment managers fees	£118,074	£31,536

3. Expenditure on charitable activities

	2021	2020
Grants made:		
Gaudio Family Foundation	2,166,892	3,200,003
West London Zone	150,000	185,000
St Giles Trust	150,000	160,000
Safe Lives Limited	150,000	160,000
The Anna Freud Centre	150,000	160,000
Girls not Brides	150,000	80,000
Resurgo Trust	150,000	80,000
Mental Health Inn	150,000	-
City Harvest Limited	75,000	180,000
Refugee Action	75,000	160,000
Smart Works Charity	75,000	80,000
Place2Be	75,000	80,000
Just for Kids Law	75,000	80,000
Drive Forward Foundation	75,000	80,000
Helpforce Community Trust	-	160,000
Mental Health Innovations	-	160,000
Soc Des Amis National	-	27,249
	3,666,892	5,032,252
Support costs:		
Professional fees	203,819	174,422
Trustee indemnity insurance	-	1,725
Other costs	-	-
	£3,870,711	£5,208,399

4. Net movement in funds

Net income is stated after charging:

Auditors' remuneration (net of VAT)

- statutory audit	£7,000	£7,140
- tax services	£1,050	£815

5. Investments

	2021	2020
Balance brought forward	16,773,360	7,708,397
Additions	21,926,987	17,805,673
Sale proceeds	(15,237,032)	(10,153,837)
Net gains/(losses)	1,960,535	1,413,127
	25,423,850	16,773,360
Cash held at investment managers	763,973	357,027
	£26,187,823	£17,130,387
Investments at fair value include		
Equities	17,324,522	11,552,713
Bonds	8,099,328	4,785,364
Commodities	-	435,283
Cash within investment portfolio	763,973	357,027
	£26,187,823	£17,130,387

6. Creditors: amounts falling due within one year

	2021	2020
Accruals	£23,873	£14,140

7. Share Capital**Authorised**

1 Ordinary share of £1 each	£1

Allotted, called up and fully paid

1 Ordinary shares of £1 each	£1

8. Reconciliation of Movements in Reserves

Result for the year	9,170,200	11,839,206
Opening shareholder's funds	34,042,913	22,203,707
Closing shareholder's funds	£43,213,113	£34,042,913

9. Ultimate Parent Undertaking

The parent undertaking at the year-end is The Gaudio Family Foundation, a US based charitable Foundation.

10. Related party transactions

During the year a Trustee donated £7,305,158 (2020 - £13,498,427). No conditions were attached to the donation.

One grant of £2,166,892 (\$3,000,062) was made during the year to the parent undertaking, The Gaudio Family Foundation, to be applied by The Gaudio Family Foundation in furtherance of the charity's charitable purposes. In 2020 two grants were made for £1,200,003 (\$1,513,431) and £2,000,000 (\$2,658,379). With respect to all such grants to The Gaudio Family Foundation, The Gaudio Family Foundation has provided written confirmation to The Gaudio Family Foundation (UK) Limited confirming that all such funds have been disbursed as of the date of this Report and were properly deployed for purposes that qualify as charitable under the law of England and Wales.