

THE BALON FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 May 2021

Charity number 1160171

Contents

| | |
|--------------------------------------|---|
| Legal and administrative information | 2 |
| Trustees' annual report | 3 |
| Independent examiner's report | 5 |
| Statement of financial activities | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 |

Legal and administrative information

| | |
|--------------------------------|--|
| Charity name | The Balon Foundation |
| Charity registration no | 1160171 (England and Wales) |
| CIO Companies House no | CE002865 |
| Registered office | The Jampot Phoenix Brewery 13 Bramley Road London, W10 6SX |
| Trustees | Adam Balon Rebecca Balon Camilla Ford |
| Independent examiner | Andy Nash Accounting & Consultancy Ltd Units 24 & 25 Goodsheds Container Village Hood Road Barry, CF62 5QU |
| Principal bankers | Barclays Bank PLC 1 Churchill Place London, E14 5HP |
| Solicitors | Russell-Cooke LLP 2 Putney Hill London, SW15 6AB |

Trustees' annual report

The Board of Trustees submits their annual report and the financial statements of The Balon Foundation for the year ended 31 May 2021. The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Aims and objectives

Objectives and activities

The Balon Foundation is a Charitable Incorporated Organisation (CIO) and was established to make grants to organisations and individuals exclusively for charitable purposes. This is reflected in the objects of the CIO as written into the constitution:

The object of the CIO is, for the public benefit, to further such exclusively charitable purposes according to the law of England & Wales as the charity trustees in their absolute discretion from time to time determine.

Delivering public benefit

The Balon Foundation's objectives and activities fully reflect the purposes that the Charity was set up to further. Throughout the process of determining these activities and deciding what organisation to grant funds to, the Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

Achievements and performance

With the ongoing COVID-19 pandemic, it has been a quiet time for the Balon Foundation, with minimal donations made over the course of the year, as detailed.

All grants made are anonymous, a list of beneficiaries has not been included within these accounts and annual report, however a list can be requested from the CIO's registered office address and if deemed appropriate will be provided.

Plans for development in 2021 - 2022

The Trustees continue to look for other projects and programmes to support and intend to award more grants within the current focus area of education.

Financial review

In the period to 31 May 2021, the Charity achieved a surplus before net gains/(losses) on investments of £2,459 (2020: £8,465). A net gain on investments of £67,901 was made in year (2020: net loss of £159,275).

Of the reserves held at period end, all £1,029,492 were unrestricted as to use (2020: £959,132).

Reserves policy

The CIO is currently formulating a formal reserves policy, however as the CIO has no committed costs, the current reserves of £1,029,492 (2020: £959,132) are considered appropriate.

Structure, governance and management

Governing document

The Balon Foundation is registered as a charitable incorporated organisation and was set up by and is governed under its constitution dated 27 January 2015. The registered charity number in England & Wales is 1160171.

Recruitment and appointment of trustees

The constitution provides for a minimum of three Trustees and a maximum of seven. Each Trustee is appointed by ordinary resolution passed by the Trustees as a body. New candidates are put forward and considered with regard to the general and particular contribution a person might make to the achievement of the CIO's objects. The Trustees appoint the Chairman of the Board of Trustees.

Trustee induction and training

New Trustees are made aware of their legal obligations under charity law, the content of the Constitution, the objects of the CIO, the various policies of the CIO and the current financial performance of the CIO. A new Trustee shall receive copies of the previous year's annual report and accounts and appropriate leaflets published by the Charity Commission and have the opportunity for discussion of them.

Risk management

The Trustees have examined the major risks that the Charity faces and confirm that policies and relevant

insurance policies are in place where appropriate to manage these risks.

The only significant risk to the CIO is that they inadvertently fund an organisation that is not charitable in its objects. The Trustees have managed this risk by working with Russell-Cooke LLP to establish a grant making policy which ensures adequate due diligence is done on any grant applicants prior to awards being made.

Organisational structure

The Board of Trustees is responsible for administration of the Charity. The Board meets formally at least two times a year and is responsible for all governance and operational issues.

Fundraising policies

The Balon Foundation does not undertake any public fundraising, with all donations having come from the Trustees and therefore is not registered with The Fundraising Regulator.

Statement of Board of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year. Under that law, they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under 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 CIO and of the excess of income over 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 CIO will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the relevant legislation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the CIO and to prevent and detect fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that the content of the annual review in pages 3 to 4 of this document meet the requirements of the Trustees' Annual Report under charity law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

This report was approved and authorised for issue by the Board of Trustees on 31 March 2022 and signed on its behalf by:



Adam Balon

Trustee

Independent examiner's report to the Trustees of The Balon Foundation

I report to the trustees on my examination of the accounts of The Balon Foundation (charity number 1160171) for the year ended 31 May 2021 set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The CIO's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Charities Act). The CIO's trustees consider that an audit is not required for this year under section 144 of the Charities Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the CIO's trustees as a body. My work has been undertaken so that I might state to the CIO's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the CIO and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Philip Nash ACA

Member of the Institute of Chartered Accountants in England and Wales – 2461833

Dated: 31 March 2022

Andy Nash Accounting & Consultancy Ltd
Units 24 & 25
Goodsheds Container Village
Hood Road
Barry
CF62 5QU

Statement of financial activities

For the year ended 31 May 2021

| | | Unrestricted Funds Year ended 31 May 2021 £ | Restricted Funds Year ended 31 May 2021 £ | Total Funds Year ended 31 May 2021 £ | <i>Total Funds Year ended 31 May 2020 £</i> |
|-----------------------------------|--------------|--|--|---|---|
| | <i>Notes</i> | | | | |
| Income from: | | | | | |
| Investments | 2 | 38,485 | - | 38,485 | 19,499 |
| Total income | | 38,485 | - | 38,485 | 19,499 |
| Expenditure on: | | | | | |
| Charitable activities | 3 | 36,026 | - | 36,026 | 11,034 |
| Total expenditure | | 36,026 | - | 36,026 | 11,034 |
| Net income/(expenditure) | | 2,459 | - | 2,459 | 8,465 |
| Net gains/(losses) on investments | 4 | 67,901 | | 67,901 | (159,275) |
| Net movement in funds | | 70,360 | - | 70,360 | (150,810) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 7 & 8 | 959,132 | - | 959,132 | 1,109,942 |
| Total funds carried forward | 7 & 8 | 1,029,492 | - | 1,029,492 | 959,132 |

The notes on pages 8 to 13 form part of the financial statements.

Balance sheet

As at 31 May 2021

| | <i>Notes</i> | Total funds 31 May 2021 | | <i>Total funds 31 May 2020</i> | |
|---|--------------|------------------------------------|------------------|------------------------------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets: | | | | | |
| Investments | 4 | | 964,091 | | 857,783 |
| Current assets: | | | | | |
| Debtors | 5 | - | | 17 | |
| Cash at bank and in hand | | 66,121 | | 102,772 | |
| | | 66,121 | | 102,789 | |
| Creditors: amounts falling due within one year | 6 | (720) | | (1,440) | |
| Net current assets | | | 65,401 | | 101,349 |
| Net assets | | | 1,029,492 | | 959,132 |
| Funds of the charity: | | | | | |
| Unrestricted funds: | | | | | |
| General funds | 7 & 8 | 1,029,492 | | 959,132 | |
| | | | 1,029,492 | | 959,132 |
| Total funds of the charity | | | 1,029,492 | | 959,132 |

The notes on pages 8 to 13 form part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 31 March 2022 and signed on their behalf by:



Adam Balon

Trustee

Notes to the financial statements

1. Accounting policies

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The effect of any event relating to the year ended 31 May 2021, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 May 2021 and the results for the period ended on that date.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

Going concern

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment, and the ongoing COVID-19 pandemic has had no impact on this assessment.

Legal status

The Balon Foundation is a Charitable Incorporated Organisation registered with the Charity Commission in England & Wales (reg. no. 1160171) and meets the definition of a public benefit entity under FRS 102. The registered address is The Jampot, Phoenix Brewery, 13 Bramley Road, London, W10 6SX.

Fund accounting

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

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. There are currently no restricted funds within the Charity.

Income

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

Interest income from investment activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier.

Dividends are accounted for when due, and tax recoverable on such income is accounted for based on the repayment due in the fiscal year ending in that accounting year.

Realised gains or losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the period end.

Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Grants to other charitable organisations are recognised as expenditure when there is a legal or constructive obligation to make the grant.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

There are currently no assets held by the Charity.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but are not held for investment purposes.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

Investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date, which gives rise to unrealised gains/losses at the end of the financial period which is reflected in the SOFA. Realised gains/losses are calculated as the difference between the sales proceeds and the opening carrying value or the purchase price if acquired during the financial period. Partial disposals are accounted for using the average value. Fair value is based on the quoted price at the balance sheet date without deduction of estimated future selling costs.

Critical estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

2. Income from investments

The annual depreciation charge for property, plant and equipment is sensitive to changes in useful economic lives and residual values of assets. These are reassessed annually.

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

| | Unrestricted Funds Year ended 31 May 2021 £ | Restricted Funds Year ended 31 May 2021 £ | Total Funds Year ended 31 May 2021 £ |
|---|--|--|---|
| Interest on cash deposits | 12 | - | 12 |
| Interest and dividends on fixed asset investments | 38,473 | - | 38,473 |
| | 38,485 | - | 38,485 |
| | <i>Unrestricted Funds Year ended 31 May 2020 £</i> | <i>Restricted Funds Year ended 31 May 2020 £</i> | <i>Total Funds Year ended 31 May 2020 £</i> |
| Interest on cash deposits | 2,367 | - | 2,367 |
| Interest and dividends on fixed asset investments | 17,132 | - | 17,132 |
| | 19,499 | - | 19,499 |

3. Expenditure on charitable activities

| | Unrestricted Funds Year ended 31 May 2021 £ | Restricted Funds Year ended 31 May 2021 £ | Total Funds Year ended 31 May 2021 £ |
|---|--|--|---|
| Grants and donations to other organisations | | | |
| Education | 25,000 | - | 25,000 |
| Environment | 10,000 | - | 10,000 |
| | 35,000 | - | 35,000 |
| Professional fees | | | |
| Independent examination | 720 | - | 720 |
| Investment management fees | 66 | - | 66 |
| Bank fees | 240 | - | 240 |
| | 1,026 | - | 1,026 |
| | 36,026 | - | 36,026 |
| | <i>Unrestricted Funds Year ended 31 May 2020 £</i> | <i>Restricted Funds Year ended 31 May 2020 £</i> | <i>Total Funds Year ended 31 May 2020 £</i> |
| Grants to other organisations | | | |
| Education | <i>10,000</i> | - | <i>10,000</i> |
| | <i>10,000</i> | - | <i>10,000</i> |
| Professional fees | | | |
| Independent examination | <i>720</i> | - | <i>720</i> |
| Investment management fees | <i>74</i> | - | <i>74</i> |
| Bank fees | <i>240</i> | - | <i>240</i> |
| | <i>1,034</i> | - | <i>1,034</i> |
| | <i>11,034</i> | - | <i>11,034</i> |

All grants made are anonymous, and so a list of beneficiaries has not been included within these accounts and annual report, however a list can be

requested from the CIO's registered office address and if deemed appropriate will be provided.

4. Fixed asset investments

| | Total funds 31 May 2021 | <i>Total funds 31 May 2020</i> |
|--------------------------------------|------------------------------------|------------------------------------|
| | £ | £ |
| Market value brought forward | 857,783 | - |
| Additions at cost | - | 1,000,000 |
| Dividend & interest income in period | 38,473 | 17,132 |
| Fees incurred in period | (66) | (74) |
| Net (losses)/gains in period | 67,901 | (159,275) |
| | 964,091 | <i>857,783</i> |

Analysis of market value of investments by investment type:

| | Total funds 31 May 2021 | <i>Total funds 31 May 2020</i> |
|----------------------------|------------------------------------|------------------------------------|
| | £ | £ |
| UK equities and funds | 693,281 | 840,226 |
| Other funds including cash | 270,810 | 17,557 |
| | 964,091 | <i>857,783</i> |

5. Debtors

| | Total funds 31 May 2021 | <i>Total funds 31 May 2020</i> |
|------------------|------------------------------------|------------------------------------|
| | £ | £ |
| Accrued interest | - | 17 |
| | - | <i>17</i> |

6. Creditors – amounts falling due within one year

| | Total funds 31 May 2021 | <i>Total funds 31 May 2020</i> |
|----------|------------------------------------|------------------------------------|
| | £ | £ |
| Accruals | 720 | 1,440 |
| | 720 | <i>1,440</i> |

7. Analysis of charity funds

| | Balance brought forward Year ended 31 May 2021 £ | Income for the period Year ended 31 May 2021 £ | Expenditure in the period Year ended 31 May 2021 £ | Net gain/ (loss) on investments Year ended 31 May 2021 £ | Balance carried forward Year ended 31 May 2021 £ |
|---------------------------|---|---|---|---|---|
| Unrestricted funds | 959,132 | 38,485 | (36,026) | 67,901 | 1,029,492 |
| | 959,132 | 38,485 | (36,026) | 67,901 | 1,029,492 |
| | <i>Balance brought forward Year ended 31 May 2020 £</i> | <i>Income for the period Year ended 31 May 2020 £</i> | <i>Expenditure in the period Year ended 31 May 2020 £</i> | <i>Net gain/ (loss) on investments Year ended 31 May 2020 £</i> | <i>Balance carried forward Year ended 31 May 2020 £</i> |
| Unrestricted funds | <i>1,109,942</i> | <i>19,499</i> | <i>(11,034)</i> | <i>(159,275)</i> | <i>959,132</i> |
| | <i>1,109,942</i> | <i>19,499</i> | <i>(11,034)</i> | <i>(159,275)</i> | <i>959,132</i> |

8. Analysis of net assets

| | Unrestricted Funds Year ended 31 May 2021 £ | Restricted Funds Year ended 31 May 2021 £ | Total Funds Year ended 31 May 2021 £ |
|---------------------|--|--|---|
| Fixed assets | 964,091 | - | 964,091 |
| Current assets | 66,121 | - | 66,121 |
| Current liabilities | (720) | - | (720) |
| | 1,029,492 | - | 1,029,492 |
| | <i>Unrestricted Funds Year ended 31 May 2020 £</i> | <i>Restricted Funds Year ended 31 May 2020 £</i> | <i>Total Funds Year ended 31 May 2020 £</i> |
| Fixed assets | <i>857,783</i> | - | <i>857,783</i> |
| Current assets | <i>102,789</i> | - | <i>102,789</i> |
| Current liabilities | <i>(1,440)</i> | - | <i>(1,440)</i> |
| | <i>959,132</i> | - | <i>959,132</i> |

9. Trustee remuneration

During the period, no Trustee received any remuneration (2020: £NIL). No members of the Board

of Trustees received reimbursement of travel and subsistence expenses during the period (2020: £NIL).

10. Related party transactions

During the current period, there were no related party transactions (2020: £NIL).

11. Guarantees and secured charges

As at 31 May 2021, the Charity did not have any outstanding guarantees to third parties nor debts secured against assets of the Charity (2020: £NIL).