



Woodsmith Foundation Limited

Report of the Trustees and
Audited Financial Statements
for the year ended

31 May 2022

Registered Company Number: 08087609 (England and Wales)
Registered Charity Number: 1163127

Ashby Berry Coulsons

Chartered Accountants
Two Belgrave Crescent
Scarborough

Woodsmith Foundation Limited**Contents of the Financial Statements
for the Year Ended 31 May 2022**

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Woodsmith Foundation Limited

*Formerly
Sirius Minerals Foundation Limited*

**Reference and Administrative Details
for the Year Ended 31 May 2022**

| | |
|----------------------------------|--|
| Trustees | I C Swales Chair J Flynn N Irving M J Narey J Samuel E Walmsley W B Woods |
| Chief Executive | Leah Swain |
| Registered office | Resolution House Lake View Scarborough North Yorkshire YO11 3ZB |
| Registered company number | 08087609 (England and Wales) |
| Registered charity number | 1163127 |
| Auditors | Ashby Berry Coulsons Limited Statutory Auditor 2 Belgrave Crescent Scarborough North Yorkshire YO11 1UB |
| Bankers | CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ |

Woodsmith Foundation Limited**Chairman's Report
for the Year Ended 31 May 2022**

I am pleased to present the Financial Statement and Accounts for the year ending 31st May 2022 on behalf of the Trustees of the Woodsmith Foundation. The Foundation aims to create a positive lasting legacy from the Woodsmith Mine being built in the North York Moors National Park with the processing facility at Redcar. We support projects that are important to the people who live in our area of benefit and which can make a positive contribution to our local communities.

During 2021/22 a range of grants were awarded ranging from £1,500 to £75,000. We supported organisations across the Borough of Redcar and Cleveland, the Borough of Scarborough and the North York Moors National Park. Grants were awarded for: covid recovery activities; projects that supported children and young people to have time together after being isolated during the pandemic; action to tackle climate change; small capital items; essential staff or volunteer training for voluntary sector organisations; and two year projects to support the emotional wellbeing of young people. We awarded our first Young and Talented grant to an individual which supported a young golfer. The Young and Talented grants aim to help talented young people who have financial barrier to being able to progress and reach their full potential. We intend to award more Young and Talented grants over the coming year.

In April 2022 we were pleased to welcome our second employee, Gemma Sciré, as our Grants and Programmes Manager. Gemma brings valuable experience of having been a voluntary sector Chief Executive, worked in a local authority and the NHS and has knowledge across sectors; mental health, older people, children and young people, criminal justice, womens' services and systems approaches. Our Chief Executive, Leah Swain, will continue to build the team over the next few years as we prepare to receive larger annual donations from Anglo American when the Woodsmith Mine goes into production. We are grateful to Anglo American for their continuing support and donations while the mine is being built and are committed to working in partnership with them for the benefit of local communities.

I would like to thank the Trustees for their time and willingness to share their skills and knowledge to set the strategic direction for the Foundation and make the right funding decisions. They share a collective desire to increase opportunities and tackle disadvantage across our area of benefit and are passionate in their belief that local people and organisations often know how to best make lasting positive changes. We know that ideas that come from within a community can be a powerful catalyst for change and together we will ensure the Foundation is seeking out and supporting people to make those ideas a reality.

Ian Swales
Chair

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 May 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

This report includes the directors' report required by company law.

Objectives and activities

The Foundation's objects are for the public benefit particularly in the area of benefit to:

- 1) advance education including by supporting projects and training that benefit people from the area of benefit by enhancing their skills;
- 2) promote the general health of the community;
- 3) advance environmental protection and improvement including by enhancing the local landscape;
- 4) provide and improve facilities in the interests of social welfare and leisure time occupation with the objective of improving the conditions of life for the residents; and
- 5) relieve those in need because of financial hardship by virtue of being out of work, particularly the long term unemployed, by helping them to gain skills.

The area of benefit is the area south of the river Tees and within the boundaries of Redcar and Cleveland Borough Council, Scarborough Borough Council and the North York Moors National Park.

The trustees are obliged to:

- exercise a preference for applying the charity's funds close to Anglo American's area of operations in the area of benefit; and
- only apply funds outside the area of benefit if the trustees pass a unanimous resolution in support of such an application of funds, and not to apply more than 25% of its annual budget in any one year outside the area of benefit.

At present, the trustees are fulfilling these objects by making grants to local organisations.

The Foundation does not raise funds from the general public.

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities, and setting the grant making policy for the year.

In 2021/22 the Trustees agreed a spend plan for the year and awarded:

- £137,289 for Covid Second Round grants to 34 organisations to support local people to re-engage in the community following the pandemic.
- £78,691 for Time Together grants to 26 organisations to work with their existing groups of young people and help them organise fun events to spend time together with their friends and peers following the difficult months of isolation during the pandemic.

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 May 2022

- £56,300 for Climate Change grants to 12 organisations to undertake action on climate change in their own communities and beyond, including grassroots projects that galvanise community action and increase the number of people taking action on climate change.
- £181,740 for Small Capital and Training grants to 43 organisations. The grants were for either venues and facilities to make repairs or purchases, refurbishments or extensions or for organisations to purchase equipment or fund coaching qualifications, essential staff training.
- £478,143 for Children and Young Peoples' Emotional Wellbeing to 6 organisations to fund mental health professionals in the voluntary sector to deliver a targeted and long term programme of support to individuals, with a focus on one to one interventions.
- £1,500 for a Young and Talented grant to support a young person with a demonstrable talent who was unable to progress due to financial constraints.
- £128,843 for other grants which included larger capital grants for key community assets, responding to an emergency flood in a local primary school, hardship grants for schools to support their pupils, and grants for local infrastructure organisations in Redcar and Cleveland to deliver funding workshops.

The Trustees were supported in the grant assessment by the officers of the Foundation and by independent, external consultants. All grant decisions were discussed and agreed by either the CEO and Chair (within the agreed financial delegations), a small sub group of Trustees or by the full Board. All grant decisions made between Board meetings were recorded at the next full Board.

Achievement and performance

The Trustees are pleased with progress in 21/22, with the new Chief Executive delivering a significant level of grants against the spend plan and building the internal processes for the Foundation. We continue to make our best efforts to be a flexible and responsive funder and have trialled a range of different approaches to grant making over the year. We remain mindful that we want to award a significant number of grants while retaining enough funding to support the voluntary sector response to crisis situations as they arise, including the forecast cost of living rises expected this winter. The third instalment of the £4m agreed by Anglo American in advance of revenue being generated from the Woodsmith Mine was gratefully received in May 2022 and Anglo American kindly continue to provide pro bono support to the Foundation for administration, finance, marketing and communications.

The Trustees are content that grants are being awarded to a wide range of organisations, many new to the work of the Foundation, across our whole area of benefit and in line with our charitable objectives.

Financial review

Summary

The Foundation held reserves of £2,511,431 at 31 May 2022. All funds were unrestricted and a ten year spend plan and five year projected income plan are revisited annually.

The Foundation's work is entirely reliant on income from Anglo American and income and capital returns from its investment portfolio. A further major payment to the Foundation of £1 million was received during the year, bringing the total contributions from the Woodsmith Mine project to £5 million, with a further payment of £1 million committed by Anglo American. This payment/donation is 'ex gratia' as it sits outside the formal grant agreement. On this basis there is no commitment for a percentage of the monies to be invested in medium term, low-risk funds.

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 May 2022

Financial review - continued

Main events

Due to the uncertainty around the pandemic, Brexit, and the cost of living crisis investment funds were held in a cash deposit account with CAF Bank during the period. In addition, the Foundation has £100,000 invested with CCLA, a not-for-profit organisation that invests on behalf of public bodies and charities. Not all of the funds operated by CCLA are currently open to the Woodsmith Foundation.

At the end of the period total cash plus investments amounted to £2,976,582. These balances are held in line with the five year plan outlined above. In the coming year we will seek to move funds to which we do not need immediate access to a higher interest account with a longer notice period.

Future activities

The trustees have amended the financial year for the Foundation to run January to December. This is to align with the Anglo American financial year in anticipation of revenue related donations once the mine goes into production. The next financial year will be 7 months from 1st June 2022 to the 31st December 2022.

The trustees have reviewed the cash position of the Foundation and made a commitment to spend £1m in the coming year. A spend plan has been agreed that will award funding for projects that meet our charitable objectives.

Structure, governance and management

Sirius Minerals Foundation Limited was incorporated as a company limited by guarantee on 29 May 2012. It is governed under its Memorandum and Articles of Association and was registered as a charity on 13 August 2015. It changed name from Sirius Minerals Foundation to Woodsmith Foundation in May 2021.

Under the Articles of Association, the membership of the charitable company comprises Anglo American and two Independent Members. The independent members are Jim Dillon and Ian Swales.

As set out in the Articles, the charity is managed by seven trustees, who are also directors of the company. Four of these trustees are appointed by the Independent Members and three by Anglo American. On appointment trustees are provided with information on the Foundation and on their role as charity trustees and company directors. There were no trustee resignations or appointments in the last year. We are grateful for all our trustees time, enthusiasm and energy and would like to thank them for their contribution to the work of the Foundation.

The Trustees held four formal Board meetings that were supplemented by email discussions throughout the year. These were held on:

19 July 2021
20 October 2021
24 January 2022
27 April 2022

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 May 2022

Structure, governance and management - continued

The reports received at meetings enable the trustees to monitor major risks to which the Foundation is exposed so that necessary steps can be taken to manage those risks.

Statement of trustees' responsibilities

The trustees (who are also the directors of Woodsmith Foundation Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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.

Statement of compliance with prevailing laws and regulations

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 the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 February 2023 and signed on its behalf by:

.....
I C Swales - Trustee

Report of the Independent Auditors to the Members of Woodsmith Foundation Limited

Opinion

We have audited the financial statements of Woodsmith Foundation Limited (the 'charitable company') for the year ended 31 May 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 May 2022 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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.

Report of the Independent Auditors to the Members of Woodsmith Foundation Limited

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' 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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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

Our audit procedures include:

- Performing audit work over the risk of grants being awarded to non bona fide recipients or outside the objects of the charity;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures to assess compliance with applicable laws and regulations;
- Enquiry of management and those charged with governance concerning potential litigation and claims.

We consider that these procedures, together with evidence acquired from our other audit work, provide an audit approach enabling a reasonable likelihood of detection of irregularities.

Report of the Independent Auditors to the Members of Woodsmith Foundation Limited

Our responsibilities for the audit of the financial statements - continued

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Mead BSc FCA (Senior Statutory Auditor)
for and on behalf of Ashby Berry Coulsons Limited
Statutory Auditor
2 Belgrave Crescent
Scarborough
North Yorkshire
YO11 1UB

Date: 22 February 2023

Woodsmith Foundation Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 May 2022**

| | Notes | 2022 Unrestricted fund £ | 2021 Total funds £ |
|--|-------|---|---------------------------------------|
| Income and endowments from | | | |
| Donations and legacies | 2 | 1,000,000 | 1,000,000 |
| Investment income | 3 | <u>123</u> | <u>58</u> |
| Total | | <u>1,000,123</u> | <u>1,000,058</u> |
| Expenditure on | | | |
| Charitable activities | 4 | | |
| General activities | | 65,583 | 12,074 |
| Grant making | | <u>1,083,985</u> | <u>407,824</u> |
| Total | | <u>1,149,568</u> | <u>419,898</u> |
| NET INCOME/(EXPENDITURE) | | (149,445) | 580,160 |
| Reconciliation of funds | | | |
| Total funds brought forward | | <u>2,660,876</u> | <u>2,080,716</u> |
| Total funds carried forward | | <u>2,511,431</u> | <u>2,660,876</u> |

The notes form part of these financial statements

Woodsmith Foundation Limited (Registered number: 08087609)**Balance Sheet
31 May 2022**

| | Notes | 2022 Unrestricted fund £ | 2021 Total funds £ |
|--|-------|---|---------------------------------------|
| Fixed assets | | | |
| Investments | 10 | 101,055 | 100,932 |
| Current assets | | | |
| Debtors | 11 | 10,065 | 771 |
| Cash at bank | | <u>2,875,527</u> | <u>2,654,003</u> |
| | | 2,885,592 | 2,654,774 |
| Creditors | | | |
| Amounts falling due within one year | 12 | (430,216) | (44,830) |
| Net current assets | | <u>2,455,376</u> | <u>2,609,944</u> |
| Total assets less current liabilities | | 2,556,431 | 2,710,876 |
| Provisions for liabilities | 13 | (45,000) | (50,000) |
| NET ASSETS | | <u>2,511,431</u> | <u>2,660,876</u> |
| Funds | | | |
| Unrestricted funds | | <u>2,511,431</u> | <u>2,660,876</u> |
| Total funds | | <u>2,511,431</u> | <u>2,660,876</u> |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20 February 2023 and were signed on its behalf by:

.....
I C Swales - Trustee

The notes form part of these financial statements

Woodsmith Foundation Limited

**Cash Flow Statement
for the Year Ended 31 May 2022**

| | Notes | 2022 £ | 2021 £ |
|---|-------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>221,524</u> | <u>511,917</u> |
| Net cash provided by operating activities | | <u>221,524</u> | <u>511,917</u> |
| Cash flows from investing activities | | | |
| Purchase of fixed asset investments | | (123) | (58) |
| Interest received | | <u>123</u> | <u>58</u> |
| Net cash provided by investing activities | | <u>-</u> | <u>-</u> |
| Change in cash and cash equivalents in the reporting period | | 221,524 | 511,917 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>2,654,003</u> | <u>2,142,086</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>2,875,527</u></u> | <u><u>2,654,003</u></u> |

The notes form part of these financial statements

Woodsmith Foundation Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 May 2022**

| | | |
|---|-----------------------|-----------------------|
| 1. Reconciliation of net (expenditure)/income to net cash flow from operating activities | 2022 | 2021 |
| | £ | £ |
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (149,445) | 580,160 |
| Adjustments for: | | |
| Interest received | (123) | (58) |
| (Increase)/decrease in debtors | (9,294) | 6,010 |
| Increase/(decrease) in creditors | <u>380,386</u> | <u>(74,195)</u> |
| Net cash provided by operations | <u>221,524</u> | <u>511,917</u> |

| | | | |
|--|-------------------------|-----------------------|-------------------------|
| 2. Analysis of changes in net funds | At 1.6.21 | Cash flow | At 31.5.22 |
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank | <u>2,654,003</u> | <u>221,524</u> | <u>2,875,527</u> |
| | <u>2,654,003</u> | <u>221,524</u> | <u>2,875,527</u> |
| Total | <u>2,654,003</u> | <u>221,524</u> | <u>2,875,527</u> |

The notes form part of these financial statements

Woodsmith Foundation Limited

Notes to the Financial Statements for the Year Ended 31 May 2022

1. Accounting policies

General information

Woodsmith Foundation Limited is a charitable company limited by guarantee and registered in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to make grants towards projects and individuals/organisations which meet the criteria set out in the charity's objects.

Basis of preparing the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, 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.

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 presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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.

Judgements and key sources of estimation uncertainty

The trustees consider that no judgements, apart from those involving estimates, have been made in the process of applying the above accounting policies which have had a significant effect on amounts recognised in the financial statements.

The trustees consider that no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have been made which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Funds

Unrestricted funds 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.

Fund comparatives

The charity has had only one, unrestricted, fund during the current and previous year therefore comparative information is available from the primary financial statements.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions 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.

Woodsmith Foundation Limited

Notes to the Financial Statements - continued for the Year Ended 31 May 2022

1. Accounting policies - continued

Donated services and facilities

No amount is included in the financial statements for volunteer time, including time spent by trustees in assessing and monitoring grants, in line with the SORP (FRS 102). Administrative support, for which no charge is made, is provided by Anglo American. Further detail is given in the Trustees' Annual Report.

Investment income receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Foundation. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Foundation.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted mid-market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2022**

1. Accounting policies - continued

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. In their view the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Donations and legacies

| | 2022 £ | 2021 £ |
|-------------------------------|------------------|------------------|
| Donations from Anglo American | <u>1,000,000</u> | <u>1,000,000</u> |
| | <u>1,000,000</u> | <u>1,000,000</u> |

3. Investment income

| | 2022 £ | 2021 £ |
|-------------------------|------------|-----------|
| Interest on investments | <u>123</u> | <u>58</u> |

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2022**

4. Charitable activities costs

| | Direct Costs £ | Grant funding of activities (see note 5) £ | Support costs (see note 6) £ | Totals £ |
|--------------------|----------------------|---|---------------------------------------|------------------|
| General activities | 61,655 | - | 3,928 | 65,583 |
| Grant making | - | 1,055,096 | 28,889 | 1,083,985 |
| | <u>61,655</u> | <u>1,055,096</u> | <u>32,817</u> | <u>1,149,568</u> |

Comparatives for charitable activities costs

| | | | | |
|--------------------|--------------|---------------|---------------|---------------|
| General activities | 9,483 | - | 2,591 | 12,074 |
| Grant making | - | 96,741 | 11,083 | 407,824 |
| | <u>9,483</u> | <u>96,741</u> | <u>13,674</u> | <u>19,898</u> |

5. Grants payable

| | 2022 £ | 2021 £ |
|--------------|------------------|----------------|
| Grant making | <u>1,055,096</u> | <u>396,741</u> |

Grants paid during the year were all made to institutions except for the initial grant made under the Young & Talented programme. Grants awarded are summarised below.

| Amount of grant | Number of recipients | Aggregate amount awarded £ | Aggregate instalments paid in year £ |
|---|-------------------------|-------------------------------------|---|
| Second Covid Round | | | |
| £10,000 to £15,000 | 1 | 15,000 | 15,000 |
| £1,000 to £5,000 | 33 | 122,289 | 122,289 |
| Time Together | | | |
| £1,000 to £5,000 | 26 | 78,691 | 25,000 |
| Climate Change | | | |
| £1,000 to £5,000 | 12 | 56,300 | 51,300 |
| Small Capital and Training | | | |
| £1,000 to £5,000 | 43 | 181,740 | 159,668 |
| Children & Young People Emotional Health and Wellbeing | | | |
| £100,000 to £150,000 | 1 | 134,634 | 38,000 |
| £50,000 to £100,000 | 4 | 299,459 | 75,000 |
| Under £50,000 | 1 | 44,050 | 23,000 |

Woodsmith Foundation Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

5. Grants payable - continued

| Amount of grant | Number of recipients | Aggregate amount awarded £ | Aggregate instalments paid in year £ |
|-------------------------------------|----------------------|-------------------------------|---|
| Young & Talented | | | |
| Under £2,000 | 1 | 1,500 | - |
| Ad hoc | | | |
| £10,001 to £50,000 | 3 | 109,415 | 59,825 |
| Under £10,000 | 6 | 19,428 | 19,426 |
| Previous years' grants not taken up | | (7,410) | |
| Total | 131 | 1,055,096 | 385,027 |

Further information about the grant programmes and grantees can be found on the charity's website at <https://woodsmithfoundation.org.uk/>.

6. Support costs

| | Management £ | Governance costs £ | Totals £ |
|---------------------------------------|-----------------|--------------------------|---------------|
| General activities | 637 | 3,291 | 3,928 |
| Grant making | <u>28,889</u> | <u>-</u> | <u>28,889</u> |
| | <u>29,526</u> | <u>3,291</u> | <u>32,817</u> |
| Comparatives for support costs | | | |
| General activities | 178 | 2,413 | 2,591 |
| Grant making | <u>11,083</u> | <u>-</u> | <u>11,083</u> |
| | <u>11,627</u> | <u>2,413</u> | <u>14,098</u> |

Support costs, included in the above, are as follows:

Management

| | General activities £ | Grant making £ | 2022 Total activities £ | 2021 Total activities £ |
|--|-------------------------|-------------------|-------------------------------|-------------------------------|
| Grant publicity, assessment & monitoring | - | 28,889 | 28,889 | 10,934 |
| Travel and meetings | - | - | - | 149 |
| Bank charges | 220 | - | 220 | 178 |
| Payroll administration | <u>417</u> | <u>-</u> | <u>417</u> | <u>-</u> |
| | <u>637</u> | <u>28,889</u> | <u>29,526</u> | <u>11,261</u> |

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2022**

6. Support costs - continued

Support costs, included in the above, are as follows:

Governance costs

| | 2022 | 2021 |
|----------------------------|---------------------|---------------------|
| | General | Total |
| | activities | activities |
| | £ | £ |
| Auditors' remuneration | 2,520 | 2,400 |
| Insurance | 771 | - |
| Sundry governance expenses | - | 13 |
| | <u>3,291</u> | <u>2,413</u> |

Auditor's remuneration

| | 2022 | 2021 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Audit and accounts preparation | 2,520 | 2,400 |
| Payroll administration | 417 | - |
| | <u>2,937</u> | <u>2,400</u> |

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

| | 2022 | 2021 |
|-------|---------------------|---------------------|
| | £ | £ |
| Audit | <u>2,520</u> | <u>2,400</u> |

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2022**

8. Trustees' remuneration and benefits

No trustee received any remuneration, or other benefits during the year. (2021 - Nil)

Trustees' expenses

No expenses were reimbursed to any trustee during the year (2021: £58 to one Trustee).

9. Staff costs

| | 2022 | 2021 |
|-----------------------|-----------------------------|---------------------|
| | £ | £ |
| Wages and salaries | 54,321 | 8,144 |
| Social security costs | 1,641 | - |
| Other pension costs | <u>4,782</u> | <u>-</u> |
| | <u><u>60,744</u></u> | <u><u>8,144</u></u> |

The average monthly number of employees during the year was as follows:

| | 2022 | 2021 |
|-----------|-----------------|-----------------|
| Full time | 1 | 1 |
| Part time | <u>1</u> | <u>-</u> |
| | <u><u>2</u></u> | <u><u>1</u></u> |

The full time equivalent number of staff at 31 May 2022 was 1.13 (2021: 1.00).

No employees received emoluments in excess of £60,000.

The total remuneration of key management personnel amounted to £54,440 (2021: £8,144).

10. Fixed asset investments

| | Cash and settlements pending £ |
|-----------------------|---|
| Market value | |
| At 1 June 2021 | 100,932 |
| Additions | <u>123</u> |
| At 31 May 2022 | <u>101,055</u> |
| Net book value | |
| At 31 May 2022 | <u><u>101,055</u></u> |
| At 31 May 2021 | <u><u>100,932</u></u> |

There were no investment assets outside the UK.

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2022**

11. Debtors: amounts falling due within one year

| | 2022 | 2021 |
|--------------------------------|----------------------|-------------------|
| | £ | £ |
| Other debtors | 9,288 | - |
| Prepayments and accrued income | <u>777</u> | <u>771</u> |
| | <u>10,065</u> | <u>771</u> |

12. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------|-----------------------|----------------------|
| | £ | £ |
| Trade creditors | 2,400 | - |
| Grant creditors | 425,296 | 42,430 |
| Accrued expenses | <u>2,520</u> | <u>2,400</u> |
| | <u>430,216</u> | <u>44,830</u> |

13. Provisions for liabilities

| | 2022 | 2021 |
|--|----------------------|-----------------------|
| | £ | £ |
| Provision for outstanding grants | <u>45,000</u> | <u>50,000</u> |
| | | £ |
| Balance brought forward | | 50,000 |
| Grant offers for which timing is uncertain | | <u>(5,000)</u> |
| Balance carried forward | | <u>45,000</u> |

14. Related party disclosures

A donation of £1,000,000 was made by Anglo American to the Foundation during the year.