



Woodsmith Foundation Limited

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

31 December 2023

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

Ashby Berry Coulsons

Chartered Accountants
Two Belgrave Crescent
Scarborough

Woodsmith Foundation Limited

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Woodsmith Foundation Limited

Reference and Administrative Details for the Year Ended 31 December 2023

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 December 2023

I am pleased to present the Financial Statement and Accounts for the financial period January to December 2023 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. Our priority is to increase opportunities and tackle disadvantage and we support projects that:

- Increase opportunities for better life chances
- Encourage positive changes by improving lives and places, or tackling issues that negatively impact on local people.
- Bring people together and enrich lives by ensuring there are local spaces, resources and activities that provide pleasure, learning, or community action.

In 2023 we supported organisations across the Borough of Redcar and Cleveland, the Borough of Scarborough and the North York Moors National Park with 187 grants totalling £854,199. While maintaining our small grants opportunities which we know appeal to a wide range of community organisations, we also agreed a number of larger grants. This included: significant investments into the 18 secondary schools in our area of benefit through the Achieve Education Programme which we jointly fund with Anglo American; a revenue grant to the Whitby Lobster Hatchery; a capital grant to the Saltburn Skate Park; and funding for employment projects delivered by Clean Slate Solutions and Gallows Close Centre. The Foundation awarded Community Grants of up to £5,000 to impactful organisations drawn from across the area of benefit. We awarded 19 grants of up to £500 to local communities for activities to celebrate the King's Coronation. The Foundation continued to support talented young people in our area who have opportunities to progress but face financial constraints.

This year we invested in key local organisations who have a clear vision for how they might make significant change for local people through our Funder plus approach. This included coaching support for chief executives, strategic board away day costs and facilitation, financial training, and a contribution to activities that would secure the financial sustainability of an organisation. The Foundation supported the second year delivery of our Support for People over 65 programme and the Children and Young People Emotional Wellbeing Programme.

The Foundation had four employees at December 2023, Leah Swain, (Chief Executive), Gemma Sciré, (Grants and Programmes Manager), Rebecca Warner (Grants and Programmes Officer) and Helen Kennedy (Dormanstown Community Connector). I want to thank them for their commitment to making the Foundation an approachable funder that welcomes conversations and does its best to encourage and support many different types of organisations to apply and secure funding.

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, enthusiasm and commitment to the work of the Foundation. Their breadth of experience, thoughtful approach and willingness to back interesting new ideas has created a Foundation that is supporting work on a range of complex local issues and engaging with systems change thinking with our partners. The Trustees work incredibly hard to understand the needs of local communities and make the right funding decisions for our area.

Ian Swales
Chair

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 December 2023

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 December 2023. 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 covers the Borough of Redcar and Cleveland, the Borough of Scarborough 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 once the mine goes into production 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 and undertaking development activities, including capacity building work with organisations, working with partners and stakeholders on potential joint investments, planning and delivery of programmes of work in areas of interest.

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.

Woodsmith Foundation Limited

Report of the Trustees for the Year Ended 31 December 2023

Objectives and activities - continued

In 2023 the Trustees agreed a spend plan for the year (or reacted to unexpected events such as the King's Coronation) and awarded:

- £462,788 committed to providers to deliver the Achieve Education Programme for all secondary schools in our area of benefit. Achieve aims to equip disadvantaged secondary aged students to achieve their potential by supporting their personal development, enabling their aspirations, and improving learning and attainment.
- £199,968 for Community Grants to 68 organisations. Grants of up to £5,000 went towards a wide range of projects.. These included grants for sports equipment, a lending library of things, refurbishment and energy efficiency measures in community buildings, design costs for a new bike pump track, IT and financial skills training, warm spaces, activities for local people to socialise and have fun, support for homeless people, litter picking equipment and much more.
- £103,265 awarded to the Whitby Lobster Hatchery to gap fund as they move towards financial self-sufficiency and £65,000 contribution to the build costs of the Saltburn Skate Park.
- £63,355 awarded for 2 employment and skills projects, one working with prison leavers across the area of benefit and the other for young people in Barrowcliffe, Scarborough with a construction focus.
- £22,516 for Young and Talented grants to support 17 young people with a recognised talent who were unable to progress due to financial constraints. This included a pilot, footballers, performing artists, kick boxers, musicians, a hockey player, golfers, swimmers, a film maker and a jockey.
- £7,932 for Funder Plus grants to support the development of 2 existing grant holders.
- £7,000 for other grants which provided funding to alleviate immediate financial hardship,
- £6,887 to 19 community groups to deliver celebration events for the King's Coronation.
- £4,729 for 4 Dormanstown Seed Fund grants to support community activities in the area.

The Trustees were supported in the grant assessment by employees of the Foundation and by independent, external consultants. All grant decisions were discussed and agreed by either the Chief Executive 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 2023.

The spend plan for 2023 allowed for small grant applications through the Community Grant route and larger requests through the Expression of Interest route for people to open a conversation about their ideas for positive change with the Foundation team. We had good levels of interest in both types of grant. The Foundation Trustees built flexibility into the budget to allow for support to promising opportunities for positive action on issues that are important to our local communities, commissioning of development work for future funded work and capacity support for key local organisations. The spend plan also allowed for direct delivery into Dormanstown which is a geographic priority for the mine project due to its proximity to the planned mineral processing plant site in Redcar. We continue to use our best efforts to make it as easy as possible for people to contact us, staying in touch as ideas develop and connecting those people who have common aims or ambitions.

Woodsmith Foundation Limited
Report of the Trustees
for the Year Ended 31 December 2023

Achievement and performance - continued

In 2023 an investment for £13,000 was made into the purchase and development of a new grant management system (GMS) for the Foundation. This has allowed us to move applications online, automate our monitoring reminders, create a clear record for each grant holder and a history of their requests. It has streamlined a number of grant administration processes and is proving to be a valuable tool for the team. The GMS will initially be used for Community Grants and we will then gradually migrate our other grants to the new system by 2025.

In December 2023 Anglo American renewed their commitment to supporting the Woodsmith Foundation during the building of the Woodsmith Mine. Subject to the mine development pace they agreed a further £1m a year for the next 3 years in advance of revenue being generated from the Woodsmith Mine. Anglo American kindly continue to provide pro bono support to the Foundation for 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 £1,600,904 at 31 December 2023 (2022: £1,632,384). All funds were unrestricted and an annual spend plan is agreed, against a five year projected income plan.

The Foundation's work is entirely reliant on income from Anglo American and income and capital returns from its investment portfolio. To date the Foundation has received £6 million from the Woodsmith Project's owners. 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. Once the mine is in production there is a contract in place between the mine owner and the Foundation that ensures 0.5% of revenue is paid to the Foundation annually.

Main events

Investment funds were held in a cash deposit account with CAF Bank during the period but as interest rates rise the Trustees will be considering investment options for 2024. 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 £2,102,939. 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 plans

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.

Woodsmith Foundation Limited
Report of the Trustees
for the Year Ended 31 December 2023

Structure, governance and management

Woodsmith 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.

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. The corporate member, Gareth Edmunds, left Anglo American in December 2023 and a new corporate member will be appointed in 2024.

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 period. 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 in the period, which were supplemented by email discussions throughout the year. These were held on:

25th January 2023
19th April 2023
26th July 2023
18th October 2023

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.

Woodsmith Foundation Limited

**Report of the Trustees
for the Year Ended 31 December 2023**

Statement of compliance with prevailing laws and regulations

The financial statements have been prepared in accordance with the accounting policies set out in 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 (FRS 102) issued in October 2019.

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 23/9/2024 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 December 2023 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 December 2023 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:

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.

Our audit procedures have included:

- Performing audit work over the risk of management override of controls, including reviewing accounting estimates for bias and testing journal entries and other adjustments for appropriateness;
- 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.

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

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.

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.

Ashby Berry Coulsons Ltd

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: 24 September 2024

Woodsmith Foundation Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2023**

		Year Ended 31.12.23 Unrestricted fund £	Period 1.6.22 to 31.12.22 Total funds £
Income and endowments from	Notes		
Donations and legacies	2	1,000,000	-
Investment income	3	<u>9,166</u>	<u>3,251</u>
Total		<u>1,009,166</u>	<u>3,251</u>
 Expenditure on			
Charitable activities	4		
General activities		169,921	58,635
Grant making		<u>870,725</u>	<u>823,663</u>
Total		<u>1,040,646</u>	<u>882,298</u>
 NET INCOME/(EXPENDITURE)		 (31,480)	 (879,047)
 Reconciliation of funds			
Total funds brought forward		<u>1,632,384</u>	<u>2,511,431</u>
 Total funds carried forward		 <u>1,600,904</u>	 <u>1,632,384</u>

The notes form part of these financial statements

Woodsmith Foundation Limited (Registered number: 08087609)

**Balance Sheet
31 December 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
Fixed assets			
Investments	10	106,391	101,925
Current assets			
Debtors	11	54,584	324
Cash at bank and in hand		<u>1,996,548</u>	<u>2,244,519</u>
		2,051,132	2,244,843
Creditors			
Amounts falling due within one year	12	(419,411)	(620,070)
		<u>1,631,721</u>	<u>1,624,773</u>
Net current assets			
		1,738,112	1,726,698
Creditors			
Amounts falling due after more than one year	13	(137,208)	(49,314)
Provisions for liabilities	14	-	(45,000)
		<u>1,600,904</u>	<u>1,632,384</u>
NET ASSETS			
		1,600,904	1,632,384
Funds			
Unrestricted funds		<u>1,600,904</u>	<u>1,632,384</u>
Total funds		<u>1,600,904</u>	<u>1,632,384</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 on23/9/2024..... 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 December 2023**

		Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	<u>(252,671)</u>	<u>(633,389)</u>
Net cash used in operating activities		<u>(252,671)</u>	<u>(633,389)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(4,466)	(870)
Interest received		<u>9,166</u>	<u>3,251</u>
Net cash provided by investing activities		<u>4,700</u>	<u>2,381</u>
Change in cash and cash equivalents in the reporting period		(247,971)	(631,008)
Cash and cash equivalents at the beginning of the reporting period		<u>2,244,519</u>	<u>2,875,527</u>
Cash and cash equivalents at the end of the reporting period		<u>1,996,548</u>	<u>2,244,519</u>

The notes form part of these financial statements

Woodsmith Foundation Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2023**

1. Reconciliation of net expenditure to net cash flow from operating activities

	Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(31,480)	(879,047)
Adjustments for:		
Interest received	(9,166)	(3,251)
(Increase)/decrease in debtors	(54,260)	9,741
(Decrease)/increase in creditors	<u>(157,765)</u>	<u>239,168</u>
Net cash used in operations	<u>(252,671)</u>	<u>(633,389)</u>

2. Analysis of changes in net funds

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank and in hand	<u>2,244,519</u>	<u>(247,971)</u>	<u>1,996,548</u>
	<u>2,244,519</u>	<u>(247,971)</u>	<u>1,996,548</u>
Total	<u>2,244,519</u>	<u>(247,971)</u>	<u>1,996,548</u>

The notes form part of these financial statements

Woodsmith Foundation Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

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.

The accounts for the comparative period were prepared for a shortened period of 7 months from 1 June to 31 December 2022 to align the charity's accounting period to that of Anglo American in anticipation of revenue related donations once the Woodsmith mine goes into production.

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 December 2023

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 December 2023

1. Accounting policies - continued

Investments

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

	Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
Donations from Anglo American	<u>1,000,000</u>	<u>-</u>

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

3. Investment income

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
	£	£
Interest from CAF Bank accounts	4,699	2,381
Interest from CCLA deposit fund	<u>4,467</u>	<u>870</u>
	<u>9,166</u>	<u>3,251</u>

4. Charitable activities costs

	Direct Costs £	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
Core activities	160,143	-	9,778	169,921
Grant making	<u>-</u>	<u>854,199</u>	<u>16,526</u>	<u>870,725</u>
	<u>160,143</u>	<u>854,199</u>	<u>26,304</u>	<u>1,040,646</u>

Core activities costs encompass the costs of running the grant and community organisation development programmes.

Comparatives for charitable activities costs

Period 1 June to 31 December 2022

Core activities	52,537	-	6,098	58,635
Grant making	<u>-</u>	<u>799,426</u>	<u>24,237</u>	<u>823,663</u>
	<u>52,537</u>	<u>799,426</u>	<u>30,335</u>	<u>882,298</u>

5. Grants payable

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
	£	£
Grant making	<u>854,199</u>	<u>799,426</u>

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

5. Grants payable - continued

Grants paid during the year were all made to institutions except for 17 grants 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 £
Expressions of Interest			
Over £100,000	1	103,265	30,165
Community Assets			
Over £50,000	1	65,000	65,000
Achieve Education Programme			
Over £250,000	1	297,136	108,049
£150,000 to £250,000	1	134,639	49,070
£10,000 to £30,000	1	22,000	5,000
Under £10,000	1	9,013	9,013
Community Grants			
£5,000 and under	68	199,968	110,374
Dormanstown Seed Fund			
Under £2,000	4	4,729	£4,729
King's Coronation			
Under £500	19	6,887	6,887
Funder Plus			
Under £5,000	2	7,932	4,862
Challenge Fund – Employment & Skills			
£30,000 to £35,000	2	65,355	40,000
Young & Talented			
Under £2,000	17	22,516	22,516
School Hardship			
£1,000 each	1	1,000	1,000
Cost of Living			
Under £5000	2	6,000	6,000
Previous years' grants not taken up	_____	(91,241)	_____
Total	187	854,199	462,665

Recipients of grants for £10,000 and above awarded in the period

Expressions of Interest	
Whitby Lobster Hatchery	103,265
Community Assets	
Saltburn Skatepark & Sports CIC	65,000
Achieve Education Programme	
North Yorkshire Youth Limited	297,136
Redcar & Cleveland Council	134,639
North Yorkshire Coast Research School	22,000
Challenge Fund	
Clean Slate Solutions	34,000
Gallows Close Centre	31,355

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

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

6. Support costs

	Management	Governance costs	Totals
	£	£	£
Core activities	4,959	4,819	9,778
Grant making	<u>16,526</u>	<u>-</u>	<u>16,526</u>
	<u>21,485</u>	<u>4,819</u>	<u>26,304</u>

Comparatives for support costs

Period 1 June to 31 December 2022

Core activities	481	5,617	6,098
Grant making	<u>24,237</u>	<u>-</u>	<u>24,237</u>
	<u>24,718</u>	<u>5,617</u>	<u>30,335</u>

Auditor's remuneration

	Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
Audit and accounts preparation - current period	3,780	3,600
Audit and accounts preparation - previous period	-	1,080
Payroll administration	<u>708</u>	<u>371</u>
	<u>4,488</u>	<u>5,051</u>

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

Management

	Core activities £	Grant making £	Year Ended 31.12.23 Total activities £	Period 1.6.22 to 31.12.22 Total activities £
Grant publicity, assessment & monitoring	-	16,526	16,526	24,237
Training and conferences	375	-	375	-
Travel and meetings	3,728	-	3,728	-
Bank charges	148	-	148	110
Payroll administration	<u>708</u>	<u>-</u>	<u>708</u>	<u>371</u>
	<u>4,959</u>	<u>16,526</u>	<u>21,485</u>	<u>24,718</u>

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

6. Support costs - continued
Governance costs

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
	Core activities	Total activities
	£	£
Auditors' remuneration	3,780	4,680
Insurance	837	453
Trustees' travel and subsistence	<u>202</u>	<u>484</u>
	<u>4,819</u>	<u>5,617</u>

7. Net income/(expenditure)

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

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
	£	£
Audit	<u>3,780</u>	<u>4,680</u>

8. Trustees' remuneration and benefits

No Trustee received any remuneration, or other benefits during the year. (2022 - Nil)

Trustees' expenses

Expenses of £202 were reimbursed to 2 Trustees during the year (2022: £484 to 3 Trustees).

9. Staff costs

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
	£	£
Wages and salaries	106,357	44,100
Social security costs	5,284	1,380
Other pension costs	<u>7,810</u>	<u>3,166</u>
	<u>119,451</u>	<u>48,646</u>

The total remuneration of key management personnel amounted to £66,781 (2022: £33,419).

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

9. Staff costs - continued

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

	Year Ended 31.12.23	Period 1.6.22 to 31.12.22
Full time	2	1
Part time	<u>2</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>2</u></u>

The full time equivalent number of staff at 31 December 2023 was 2.75 (2022: 1.69).

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

10. Fixed asset investments

	Cash and settlements pending £
Market value	
At 1 January 2023	101,925
Additions	<u>4,466</u>
At 31 December 2023	<u>106,391</u>

11. Debtors: amounts falling due within one year

	2023 £	2022 £
Other debtors	53,177	-
Prepayments and accrued income	<u>1,407</u>	<u>324</u>
	<u><u>54,584</u></u>	<u><u>324</u></u>

12. Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	799	1,857
Grant creditors	414,833	610,890
Accrued expenses	<u>3,779</u>	<u>7,323</u>
	<u><u>419,411</u></u>	<u><u>620,070</u></u>

Woodsmith Foundation Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

13. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Grant creditors due within more than 1 year	<u>137,208</u>	<u>49,314</u>

14. Provisions for liabilities

	2023	2022
	£	£
Provision for outstanding grants	<u>-</u>	<u>45,000</u>

	2023	2022
	£	£
Balance brought forward	45,000	50,000
Grant offers for which timing is uncertain	<u>(45,000)</u>	<u>(5,000)</u>
	<u>-</u>	<u>45,000</u>

15. Other financial commitments

In 2022, the Trustees approved a financial commitment of £700,000 for a joint three year education programme with Anglo American, working across all 18 secondary schools in our area of benefit. Awards totalling £462,788 have been made under this programme as at 31 December 2023 and further amounts for 2024 and 2025 have been built into the Foundation's future funding plan.

16. Related party disclosures

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

Woodsmith Foundation Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2023**

	Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
Income and endowments		
Donations and legacies		
Donations from Anglo American	1,000,000	-
Investment income		
Interest from CAF Bank accounts	4,699	2,381
Interest from CCLA deposit fund	<u>4,467</u>	<u>870</u>
	<u>9,166</u>	<u>3,251</u>
Total incoming resources	1,009,166	3,251
Expenditure		
Charitable activities		
Wages	106,357	44,100
Social security	5,284	1,380
Pensions	7,810	3,166
Office expenses	23,135	3,891
Advertising	2,392	-
Community organisation development	15,112	-
Sundry	53	-
Grants to institutions	831,683	772,253
Grants to individuals	<u>22,516</u>	<u>27,173</u>
	1,014,342	851,963
Support costs		
Management		
Grant publicity, assessment & monitoring	16,526	24,237
Training and conferences	375	-
Travel and meetings	3,728	-
Bank charges	148	110
Payroll administration	<u>708</u>	<u>371</u>
	21,485	24,718
Governance costs		
Auditors' remuneration	3,780	4,680
Carried forward	3,780	4,680

This page does not form part of the statutory financial statements

Woodsmith Foundation Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2023**

	Year Ended 31.12.23 £	Period 1.6.22 to 31.12.22 £
Governance costs		
Brought forward	3,780	4,680
Insurance	837	453
Trustees' travel and subsistence	<u>202</u>	<u>484</u>
	<u>4,819</u>	<u>5,617</u>
 Total resources expended	 <u>1,040,646</u>	 <u>882,298</u>
 Net expenditure	 <u>(31,480)</u>	 <u>(879,047)</u>

This page does not form part of the statutory financial statements