

THE WINDFALL FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021



THE WINDFALL FOUNDATION

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THE WINDFALL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2021

Trustees	Andrew Elder, Chair Lindsay Elder Thomas Elder Geoff Stead
Charity registered number	1176650
Principal office	13 Hammersmith Terrace London W6 9TS
Independent auditors	Warrener Stewart Chartered Accountants Registered Auditors Harwood House 43 Harwood Road London SW6 4QP
Bankers	SG Kleinwort Hambros Bank (CI) Limited SG Hambros House 18 Esplanade St Helier Jersey JE4 8PR
Stockbrokers	Genesis Investment Management LLP 21 Grosvenor Place London SW1X 7HU



THE WINDFALL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 30 June 2021.

Objectives and activities

a. Policies and objectives

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Trust deed, 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)" (as amended for accounting periods commencing from 1 January 2016).

The Foundation's objectives, as set out in the Trust's Deed, are exclusively for charitable purposes, as the Trustees may in their absolute discretion determine.

The Foundation has an interest in projects that provide sustainable, long-term income generation and self-sufficiency, especially those making a demonstrable positive impact on marginalised communities currently beyond the reach of traditional government or market-based solutions.

The Foundation provides grants to advance such charitable purposes as the trustees see fit from time to time, in particular but not limited to providing grants for public benefit to help, primarily in the United Kingdom and in Africa.

The Foundation's grant-making strategy focuses on building relationships with high-potential partner organisations with meaningful track-records and robust business plans operating in developing countries.

The Foundation is looking for partner organisations that meet a clearly-defined social need and can demonstrate tangible positive results, cost-effectiveness, accountability and a sustainable approach. It provides grants, potentially over multiple years, depending on the needs of the organisation and the strength of existing relationships. The Foundation increasingly provides funding alongside or in sequence with social investors.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

c. Impact of Coronavirus

As at 30 June 2021, being the end of the year covered by this report, the Covid-19 pandemic had been a significant world-wide problem for approximately 16 months and is expected to continue to be so for at least 12 months following the date of approval of this report and financial statements. However, although the consequent uncertainty arising may have some impact on the future value of investments, the Trustees are satisfied that at the date of signing this report there is no material uncertainty as to the longer term going concern of the Foundation, although they remain concerned regarding any impact on projects which it supports and will continue to monitor all situations going forward.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

a. Principal funding source

The principal funding source of the Foundation has been donations by Andrew Elder, the Chair.

b. Review of activities

Projects supported during the reporting period include:

Goedgedacht Trust – South Africa

Funding a path out of poverty for 11,000 rural children and young people in a marginalised community in the Western Cape.

Rusurgo/Spear - United Kingdom

Funding The Spear Programme, which helps young people facing disadvantage into work or education.

Raising the Village – Uganda

Funding the construction of beehive fences to protect smallholder crops on the edges of Bwindi Impenetrable Forest from forest elephant raids and diversify household incomes through honey sales and additional cultivation, and providing training in agricultural techniques in Karakura.

StandOut - United Kingdom

Transforming the lives of people leaving prison. We know that with the right support, people coming out of prison are motivated and have a strong desire to get life on track. They bring determination, commitment and focus and value the opportunity that employment offers. As a result, they can be real assets to a workforce, to their families and to their communities. StandOut piloted the Programme in HMP Wandsworth in 2017 and launched fully in 2018. In October 2019 it delivered the first programme in HMP Pentonville.

Surfers Against Sewage - United Kingdom

A national marine conservation and campaigning charity that inspires, unites and empowers communities to take action to protect oceans, beaches, waves and wildlife. SAS projects target coastal environmental issues including marine plastic pollution, water quality, climate change and coastal development. SAS aims to create measurable improvements in the state of our oceans, waves and beaches through changes in public behaviour, government policy and industry practices.

The charity's objectives are: To undertake and promote for the benefit of the public the conservation, protection, improvement and ecologically sustainable management of the marine environment including associated land, shoreline and structures. To advance the education of the public in the conservation, protection, improvement and ecologically sustainable management of the marine environment including associated land, shoreline and structures.

Izulu Water and Environmental Conservation - South Africa

Operating in the poorest areas of north-east South Africa, in the province of KwaZulu Natal, where access to water is a big problem. Izulu's task is, through granting access to drinking water to reduce the suffering of the population, consequently to increase the wellbeing of the people and to reach a positive impact on hygiene and health. In addition, through its awareness and clean-up programs, it makes a significant contribution to the environmental protection in the region. The program of Izulu Water is very simple and clear. It organises through boreholes access to water, and in return people have to learn about the danger of environmental pollution and to commit to our clean-up program.

J-PAL Africa (South Africa)

The J-PAL Africa policy team works with governments, researchers and NGOs to increase evidence use by bridging the gap between rigorous research and action in sub-Saharan Africa to improve lives at scale. Based in Cape Town and Johannesburg, its policy staff work across the continent and covers a wide variety of topics. It has substantial experience catalysing evidence use in Education and Labour Markets sectors.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance (continued)

Teaching at the Right Level Africa (South Africa)

A joint venture by Pratham and J-PAL, the TaRL Africa team supports partners working to address the learning crisis in primary schools in Africa through the evidence-based TaRL approach. This new joint team consists of a central team that provides high-leverage support to governments and partners across the continent trying to scale the approach in their own settings and in-country support teams in Côte d'Ivoire and Zambia, where we are working comprehensively with governments and partners on their TaRL approaches.

African Climate and Development Initiative (South Africa)

The African Climate and Development Initiative (ACDI) was established in 2011 at the University of Cape Town as a strategic initiative, to facilitate and substantially extend climate change research and education at UCT with the specific context of addressing the development challenges of Africa from an African perspective.

ClientEarth Africa

ClientEarth is an environmental charity with a unique approach – it uses the power of law to change the system to protect both people and the planet. Working alongside local communities, NGOs, technical experts and governments, it is tackling climate change, safeguarding human health and defending the natural world. ClientEarth works with local lawyers and communities to design, strengthen and enforce laws around the use of forests and land in Ghana, Ivory Coast, Liberia and the Republic of Congo. There are four important strands to this effort: improving laws, empowering forest communities, fighting illegal logging, and trade and litigation.

I AM WATER Foundation (South Africa)

I AM WATER believes in ocean conservation through transformative ocean experience. Its mission is to ignite a movement of blue minds across the planet, to facilitate physical and emotional connections to the aquatic environment, to build understanding of the interdependence of healthy humans and healthy oceans and to influence behaviours to protect our global seas. It feels especially passionate about working with underprivileged coastal communities where, despite living walking distance to the shoreline, and often finds young people who have never seen the world just beneath the waves.

Isiqalo Foundation Trust – Waves for Change (South Africa)

Waves for Change (W4C) fuses the rush of surfing with evidence-based mind/body therapy to provide a child-friendly mental health service to under-served children and young people in South Africa. Through access to safe spaces, caring and consistent mentors, and provision of weekly surf therapy sessions, W4C gives children skills to cope with stress, regulate behaviour, build healing relationships and make positive life choices.

Financial review

a. Going concern - Covid 19

Having assessed the principal risks and uncertainties to which the Foundation is likely to be exposed, particularly those arising due to the Covid-19 pandemic, and after making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Foundation keeps its reserves policy under careful review in order to mitigate its risks, support grantmaking for beneficiaries and respond to opportunities.

Funds are maintained with a view to meeting all grant commitments over the full term set out in the grant agreements (not only immediate liabilities).

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

c. Investment policy

The Foundation aims to preserve the capital value of funds to enable it to carry out future grant-making activities effectively, even in the event of adverse conditions. Reflecting the wishes of the donor the Trustees intend to hold the shares in the long term, retaining absolute discretion to expend the principal capital if necessary. To meet the other contingencies identified in the Reserves Policy, the Foundation maintains a low-risk investment policy with funding placed in either call or fixed term bank deposits. Funds will only be placed with institutions meeting minimum credit ratings

d. Financial risk management objectives and policies

The principal risk is the credibility and authenticity of potential Grantees and their appropriation of grants. Due diligence is carried out before any grant is awarded on the legitimacy and reputation of the Grantee. The Foundation takes care in appraising a project's potential impact and sustainability, and mitigates the risk of inappropriate expenditure or poor performance in larger and longer-term grants by paying in instalments conditional on the satisfaction of project milestones and reporting.

The Foundation maintains its foreign exchange policy. In the normal course of awarding grants, the Trust will assume the foreign exchange risk by meeting budgeted requirements in the local currency. The policy sets out a set of principles that the Foundation will apply to resolve any future difficulties caused by foreign currency changes.

Structure, governance and management

a. Constitution

The Windfall Foundation is a registered charity, number 1176650, and is constituted as a Charitable Incorporated Organisation under a Trust deed.

The Windfall Foundation was established on 12th January 2018. The four Trustees are:

Andrew Elder (Chair)
Lindsay Elder
Thomas Elder
Geoff Stead

b. Methods of appointment or election of Trustees

The Foundation has a minimum of three Trustees appointed for various terms of at least three years. New Trustees are recruited by the existing Trustees on the basis of their experience, empathy with and knowledge of the Foundation's work. Trustees have been given a welcome pack consisting of the governing document and the Charity Commission's guidance booklet "The Essential Trustee: What you need to know."

c. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

THE WINDFALL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

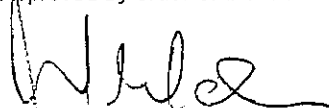
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Warrener Stewart, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Andrew Elder
Trustee

Date: 21 March 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION

Opinion

We have audited the financial statements of The Windfall Foundation (the 'charity') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE WINDFALL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Our assessment of the likelihood of material misstatement arising within the entity's financial statements due to irregularities including fraud is low. This conclusion is supported by the following which reduce the likelihood of irregularities, including fraud to arise or to go undetected:

- Total control over all aspects of the charity by the Trustees with no non-trustee involvement.
- Informed management within the Trustees.
- A single banking relationship managing cash funds.
- A single investment relationship managing investment funds.
- Very low transaction levels.
- Delegation to professional advisors of the preparation of the financial statements.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Some specific procedures include:

- A very high level of verification of transactions executed, both during and after the year.
- A full review for unusual transactions which may be inconsistent with the objectives of the charity.
- Consideration of all transactions for any indication of fraud or inappropriate use of funds.
- Consideration of all transactions and balances for any irregular related party involvement.
- Independent verification of all year end fund balances and any subsequent diminution in value.
- Critical consideration of the going concern basis for appropriate application within the financial statements.
- Detailed review of the financial statements for fair presentation and correct content.

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 Auditors' Report.

THE WINDFALL FOUNDATION

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WINDFALL FOUNDATION
(CONTINUED)**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Warrener Stewart
Chartered Accountants
Registered Auditors
Harwood House
43 Harwood Road
London
SW6 4QP

21 March 2022

Warrener Stewart are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE WINDFALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	-	-	1,442,809
Investments	4	5,350	5,350	3,366
Total income		5,350	5,350	1,446,175
Expenditure on:				
Charitable activities	5	262,641	262,641	64,750
Total expenditure		262,641	262,641	64,750
Net (expenditure)/income before net gains/(losses) on investments		(257,291)	(257,291)	1,381,425
Net gains/(losses) on investments		1,096,840	1,096,840	(21,682)
Net movement in funds		839,549	839,549	1,359,743
Reconciliation of funds:				
Total funds brought forward		5,785,705	5,785,705	4,425,962
Net movement in funds		839,549	839,549	1,359,743
Total funds carried forward		6,625,254	6,625,254	5,785,705

The Statement of Financial Activities includes all gains and losses recognised in the year.

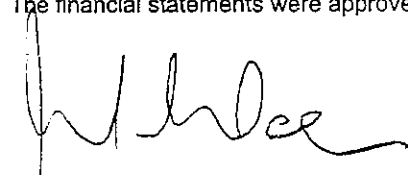
The notes on pages 13 to 19 form part of these financial statements.

THE WINDFALL FOUNDATION

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	8	3,030,289	4,788,251
		<u>3,030,289</u>	<u>4,788,251</u>
Current assets			
Cash at bank and in hand		3,600,005	1,007,534
		<u>3,600,005</u>	<u>1,007,534</u>
Creditors: amounts falling due within one year	9	(5,040)	(10,080)
		<u></u>	<u></u>
Net current assets		3,594,965	997,454
		<u></u>	<u></u>
Total net assets		<u>6,625,254</u>	<u>5,785,705</u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		6,625,254	5,785,705
		<u>6,625,254</u>	<u>5,785,705</u>
Total funds		<u>6,625,254</u>	<u>5,785,705</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Andrew Elder
Trustee

Date: 21 March 2022

The notes on pages 13 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. General information

The Windfall Foundation is a charitable incorporated organisation (CIO) registered with the Charity Commission in England & Wales. The principal office is 13 Hammersmith Terrace, London, W6 9TS.

The Foundation has an interest in projects that provide sustainable, long-term income generation and self-sufficiency, especially those making a demonstrable positive impact on marginalised communities currently beyond the reach of traditional government or market-based solutions.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Windfall Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern - Covid 19

Having assessed the principal risks and uncertainties to which the Foundation is likely to be exposed, particularly those arising due to the Covid-19 pandemic, and after making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Fund accounting

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

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.7 Interest 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 institution with whom the funds are deposited.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	-

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,442,809	1,442,809

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	5,350	5,350

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	3,366	3,366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants made	158,054	158,054	60,620
Audit fee	5,040	5,040	5,040
Legal and professional fees	-	-	(910)
Bank charges	180	180	-
Investment transaction fees	4,824	4,824	-
Loss on foreign exchange	94,543	94,543	-
	<u>262,641</u>	<u>262,641</u>	<u>64,750</u>

6. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,040 (2020 - £5,040).

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 30 June 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE WINDFALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 July 2020	4,788,251
Disposals	(2,854,802)
Revaluations	1,096,840
At 30 June 2021	<u>3,030,289</u>
Net book value	
At 30 June 2021	<u>3,030,289</u>
At 30 June 2020	<u>4,788,251</u>

Investments have been measured at fair value at the Balance Sheet date which has resulted in a gain on revaluation of £1,096,840 (2020: Loss £21,682). Fair value has since fallen to £2,684,831 at 31 January 2022, representing a loss on revaluation of £345,458 since 30 June 2021. As a non-adjusting post balance sheet event, no provision for this fall in value has been made within the Statement of Financial Activities.

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	5,040
Accruals and deferred income	5,040	5,040
	<u>5,040</u>	<u>10,080</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10. Summary of funds

Summary of funds - current year

	Balance at 1 July 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2021 £
General funds	5,785,705	5,350	(262,641)	1,096,840	6,625,254

Summary of funds - prior year

	Balance at 1 July 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2020 £
General funds	4,425,962	1,446,175	(64,750)	(21,682)	5,785,705

THE WINDFALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

11. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	3,030,289	3,030,289
Current assets	3,600,005	3,600,005
Creditors due within one year	(5,040)	(5,040)
Total	6,625,254	6,625,254

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	4,788,251	4,788,251
Current assets	1,007,534	1,007,534
Creditors due within one year	(10,080)	(10,080)
Total	5,785,705	5,785,705

12. Related party transactions

All income from donations received during the year ended 30 June 2020 was received from Andrew Elder, the Chair of Trustees.