

PARTNERS GLOBAL FOUNDATION

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

Register of Charities for England and Wales: United Kingdom Charitable Number 1177721

PARTNERS GLOBAL FOUNDATION

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**PARTNERS GLOBAL FOUNDATION
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

ADMINISTRATIVE INFORMATION

Charity Registration Number:	1177721 (Registered in England and Wales)
Board of Trustees:	L. Ebers – Chair I. Flatt J. Flatt
Principal Address and Registered Office:	15 Wimpole Street London W1G 9SU
Bank:	HSBC Private Bank (UK) Limited London
Solicitors:	Mishcon de Reya LLP London
Independent Examiners:	James Cowper Kreston Reading Bridge House George Street Reading RG1 8LS

**PARTNERS GLOBAL FOUNDATION
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the governing document, the accounting policies as set out in the notes to the financial statements and comply with 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 U.K. and Republic of Ireland published on October 2019.

Partners Global Foundation was registered as a charity on 27 March 2018.

Achievements and Performance

Mission and Goals

Our mission is to support other charities with financial contributions, and to operate our artists' residency program to assist artists from all disciplines.

The goal of our financial donations program is to support global leading charities focused on the arts, health and more generally, those in need. The goal of our artists' residency program is to foster artistic experimentation and dialogue across disciplines. Our goal is to support emerging, established, and under-recognized artists and practitioners.

Summary of 2021

We achieved numerous objectives in 2021. Apart from having made significant gifts, including completing a major contribution to the Museum of Modern Art in New York, and continued support to the Tate in London. We also operated our second year of our Amant artists' residency program in Siena. This program has achieved great success, and is now a core activity of the Foundation.

Given covid travel restrictions and visa requirements, 2021 was an extra challenge, but we managed to bring 8 artists to attend the residency. This included two artists from the United Kingdom, two from Italy, and one from each of Colombia, Lithuania, United Arab Emirates and Poland. They included visual and conceptual artists, and writers. Full details of the artists can be found on the Amant website at [Siena/Residencies](#).

Amant common areas continue to be built out to include gardens, a café, eating area and additional accommodations. All of this should be open for the third season of Amant in May of 2022. This is a very exciting next step for the Foundation.

Our website for the residency program launched early in the year. We welcome you to follow us at www.amant.org, and on our Instagram at [#amantfoundation](#). We now are close to 10,000 followers and growing almost daily. Our sister foundation in the United States (Amant Foundation, USA) also opened its doors in 2021 and launched some incredible shows including the opening acclaimed exhibition of Grada Kilomba, as well as extremely well attended shows by Gala Porras Kim and Manthia Diawara.

Financial Report

During the year, we earned £38,679 (2020 – £141,734) of income on our Endowment Capital and our Endowment investments recovered substantial value in the markets from last year with a gain of £555,583 (2020 – loss of £385,805). In addition, our endowment was subject to a tender offer and we received £653,504 of cash and new shares in a great company to continue to grow. We chose to transfer the cash received to general operations and therefore at year end, the Endowment fund was valued at £1,162,840 (2020 – £1,260,761).

In 2020, we committed to acquire our real estate premises at the cost of construction, in order to operate our artist residency program. We deposited £2.3 million against the final amount now expected of £4.8 million to own our artist residency premises. The final amount will be paid upon completion of the full construction and for the time being is treated as it was last year, as an offset to our liabilities because we have the right to repay the loan to us with this deposit note. No further amounts have been deposited this year as we await final construction close-out in 2022.

During the year we utilized our cash resources and borrowed a further £901,141 which will be repaid when we collect existing pledges from donors.

In total we are proud to have distributed £4,506,000 of donations and charitable expenditure in the United Kingdom and abroad (2020 - £4,154,248). This included £100,000 (2020 – £90,000) expended on the costs for our artist residency program. We managed to keep our non-charitable costs low as the Trustees pay for most of the administrative expenses. The total costs including financial expenses to run the foundation were £9,023 (2020 – £6,718).

Our goal is to grow the endowment and residency property assets, and finance donations with income derived from our Endowment and other donations.

We look forward to report to you next year on the progress of 2022.

Structure, Governance and Management

The Trust is a registered charity No. 1177721 established by a trust deed on 29 January 2018. The Partners Global Foundation provides funds to charities and operates a art residency program in parallel with Canadian and United States foundations under the name of Amant Global Foundation and Amant Foundation, USA.

Trustees who served during the period:

- L. Ebers – Chair
- J. Flatt
- I. Flatt

A new Trustee may be appointed at any time by a resolution of a meeting of the Trustees and there can be up to a maximum of five Trustees. There is no intention to add new trustees and since the Trustees are sophisticated directors and trustees there is not intention to complete training for Trustees.

Our Objectives and Activities

The charitable purposes of Partners Global Foundation have been refined over the past year by the Trustees and we have now focused our efforts as follows:

- the support of art, culture, heritage; and
- the education of the public and the education of children and young adults.

Risk Management

The Trustees manage risk by:

- establishing policies, systems, and procedures to mitigate risks identified; and
- the implementation of procedures designed to minimize or manage any potential impact on the Charity should those risks materialize.

Reserves Policy

The Trustees hold the capital and income of the trust to apply the income, and all or such parts of the capital, for the benefit of such exclusively charitable objects as they see fit in accordance with its charitable purposes. In addition, income can be accumulated and applied in a later period.

Statement about Donations Policy

The Trustees aim to identify a small number of opportunities for substantial charitable giving to organizations rather than become involved in a multitude of smaller projects. The Trustees will consider proposals from United Kingdom, and other charities that are established outside the United Kingdom which meet the parameters of our giving.

Public Benefit

The charity has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Signed by order of the Board of Trustees:



Lonti Ebers, Chair

3/9/2022

Date:

PARTNERS GLOBAL FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Partners Global Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of the charity's 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 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 Auditor's 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.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.

Other matters

The comparative period was not subject to audit because the charity took advantage of the small charity exemptions in the previous accounting period.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



James Cowper Kreston
Chartered Accountants and Statutory Auditors
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 20.09.2022

**PARTNERS GLOBAL FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2021**

<i>(all amounts in €)</i>	Notes	2021	2020
Fixed assets			
Investments	7	1,162,840	1,260,761
Current assets			
Receivables	9	-	81,250
Cash at bank and in hand	8	6,260	34,209
Net current assets		6,260	115,459
Liabilities	11	(4,613,209)	(3,712,068)
Total net liabilities		(3,444,109)	(2,335,848)
Funds			
Unrestricted funds	11	(4,606,949)	(3,596,609)
Endowment funds	11	1,162,840	1,260,761
Total Charity Funds		(3,444,109)	(2,335,848)

Approved by the Board of Trustees and signed on its behalf by:

Leontine P. Ebers

Date: 3/9/2022

Charity Registration no. 1177721

PARTNERS GLOBAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

<i>(all amounts in £)</i>	Notes	Unrestricted Funds 2021	Endowment Funds 2021	Total Funds 2021	Total Funds 2020
Income and endowments from:					
Donations/Gift aid received		2,812,500	-	2,812,500	406,250
Investment income	3	38,679	-	38,679	141,734
Total		2,851,179	-	2,851,179	547,984
Expenditure on:					
Operations	4	(9,023)	-	(9,023)	(6,718)
Charitable activities giving	4	(4,506,000)	-	(4,506,000)	(4,154,248)
Total		(4,515,023)	-	(4,515,023)	(4,160,966)
Realization on Tender offer		653,504	(653,504)	-	
Gain(Loss) on mark to market	7	-	555,583	555,583	(385,805)
Net (expenditure)/income		(1,010,340)	(97,921)	(1,108,261)	(3,998,787)
Total funds brought forward		(3,596,609)	1,260,761	(2,335,848)	1,662,939
Total funds carried forward	10	(4,606,949)	1,162,840	(3,444,109)	(2,335,848)

**PARTNERS GLOBAL FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021**

<i>(all amounts in £)</i>	2021	2020
Cash flows from (used in) operating activities:		
Net deficit for the period	(1,108,261)	(3,998,787)
Adjustments for:		
Receivables collected (to be collected)	81,250	(81,250)
Investment income	(38,679)	(141,734)
Losses (gains) on investments	(555,583)	385,805
Net cash provided from (used in) operating activities	(1,621,273)	(3,835,966)
Cash from (used in) investment activities:		
Dividends received	38,679	141,734
Cash received on tender offer of securities	653,504	-
Net cash used in investing activities	692,183	141,734
Cashflows from financing activities:		
Funds borrowed, net	901,141	3,712,068
Net increase (decrease) in cash and cash equivalents	(27,949)	17,836
Cash and cash equivalents at the beginning of the year	34,209	16,373
Cash and cash equivalents at the end of the period	6,260	34,209
Cash and cash equivalents are made up of the following:		
Cash at bank and in hand	6,260	34,209

**PARTNERS GLOBAL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

1) ACCOUNTING POLICIES

a) Basis of accounting

The trust meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and U.K. Generally Accepted Practice as it applies from 1 January 2019.

The Charity was registered on 27 March 2018. The trustees of the Foundation have committed to support the Foundation as a going concern for the future in order that it can complete its program of external donations to charities and operate its artist residency program. To ensure this, one of the Trustees has made available a loan facility of £15 million to the Foundation. The loan has a nil interest rate, and the Foundation has the option to repay it with cash or securities from donations received, or with property deposits at any time. The loan has no other maturity date and therefore until further donations are received the Foundation has the resources to complete its mission and operate as a going concern.

The preparation of financial statements in compliance with SORP requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies (see note 2).

The following principal accounting policies have been applied:

b) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, it is probable that it will be received, and the amount can be quantified with reasonable accuracy. All income is gross without deduction for related expenditure. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and gifts and is recognised in full in the Statement of Financial Activities when receivable.
- Investment income is recognised when receivable as notified from the investment managers.

c) Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it related:

- Cost of raising funds consists of the costs associated with the investment portfolio.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

d) Fixed asset investments

Listed 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 market price.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year, allocated to the appropriate fund.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

f) Funds

The Foundation follows the restricted fund method of accounting for income. The Foundation ensures, as part of its fiduciary responsibilities, that all funds and donations received with a restricted purpose are expended for the purpose for which they were provided.

i) General Fund

This fund is used to manage, and report amounts including earned income, grants, donations and investment income, to be used to support the Foundation's grant making activities and operation. The donors have placed no restrictions on the use of these funds; the Board of Trustees determines the distribution of grants.

ii) Endowment Fund

These amounts represent donations that have been made as endowments. Investment income earned on resources of the endowments is reported in the Endowment Fund or in the General Fund dependent on restrictions imposed by the contributors of funds for endowment.

g) Financial instruments

The Charity only enters into basic financial instruments transaction that result in the recognition of financial assets and liabilities.

Financial instruments are initially measured at transaction value. They are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

h) Foreign currency translation

The financial statements are presented in Sterling, which is also the functional currency of the Charity.

Direct currency conversions are translated into the functional currency using the exchange rate at the date of the transaction. At each period end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

i) Going concern

The Trustees are not aware of material uncertainties regarding going concern. And, while the Foundation currently has a deficit, the Foundation has borrowed funds against forward commitments and the Trustees are certain of the commitments (see Notes 14 and 15).

(2) JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known. The key source of estimation uncertainty that could have an impact on the financial statements relates to the values of investments held.

3) INVESTMENT INCOME

	Unrestricted Funds 2021	Endowment Funds 2021	Total Funds 2021	Total Funds 2020
<i>(all amounts in £)</i>				
Dividends from fixed asset investments	38,679	—	38,679	141,734

4) RESOURCES EXPENDED

a) Operations expenses

	Unrestricted Funds 2021	Endowment Funds 2021	Total Funds 2021	Total Funds 2020
<i>(all amounts in £)</i>				
Audit and IE fees	7,000	—	7,000	2,100
Investment portfolio fees and other expenses	6,023	—	6,023	4,618
	13,023	—	13,023	6,718

b) Charitable activities giving

	Unrestricted Funds 2021	Endowment Funds 2021	Total Funds 2021	Total Funds 2020
<i>(all amounts in £)</i>				

Expenditure on artist residency program	100,000	–	100,000	90,000
Donations paid	4,406,000	–	4,406,000	4,064,248
	4,506,000	–	4,506,000	4,154,248

Included within donations are amounts paid to institutions as follows:

<i>(all amounts in £)</i>		Total 2021	Total 2020
Museum of Modern Art	New York	4,188,000	3,846,154
Memorial-Sloan Kettering Cancer Center	New York	123,000	-
Tate Modern Art Gallery	London	50,000	100,000
HRH Prince Charles Royal Drawing School	London	15,000	15,000
Delfina Foundation for Art	London	9,000	-
New York Consolidated	New York	7,000	-
Drawing Center	New York	7,000	24,955
Artists Space	New York	3,500	27,947
King Baudouin Foundation	Berlin	3,500	-
Bard College of Curatorial Studies	New York	-	30,769
Barbican Centre	London	-	10,000
Camden Art Centre	London	-	2,500
Serpentine Museum	London	-	5,000
BRIC	New York	-	1,923
		4,406,000	4,064,248

5) TRUSTEES EMOLUMENTS AND RELATED PARTY TRANSACTIONS

During the year no Trustees received any remuneration, other benefits or expenses.

One of the trustees (J. Flatt) made cash donations to Partners Global Foundation totaling of £2,250,000 (2020 – £325,000) during the year. The donations in both years were designated as gift aid and therefore the Foundation claimed gift aid revenue of £562,500 as a result of the donation. All amounts were received from HMRC during the year.

6) STAFF COSTS

The Charity has no employees (2020 – no employees) but pays on a consulting basis the individuals that work part-time on its artist residency program.

7) FIXED ASSET INVESTMENTS

<i>(all amounts in £)</i>	2021	2020
Listed investments:		
Opening balance	1,260,761	1,646,566
Acquisition of securities	1,071,831	–
Disposal of securities	(1,260,761)	
Unrealised gain (loss) during year	91,009	(385,805)
At 31 December	1,162,840	1,260,761

<i>(all amounts in £)</i>	Original Cost
Material investments:	
Opening: 119,000 Brookfield Property common units	1,713,510
Tender offer proceeds reducing cost base	(653,504)
	1,060,006
At year end 2021:	
2,731 Brookfield Property Partners preferred units	48,768
25,995 Brookfield Asset Management Inc. Class A Shares	1,011,238
	1,060,006

The Foundation is subject to market risk on its portfolio of publicly listed securities and fluctuations in the market trading prices of the securities exposes the Foundation to a risk of loss. The portfolio may also be exposed to fluctuations in foreign currency exchange rates as the securities portfolio do have foreign exposure.

During the year, the securities holdings were subject to a tender offer on 119,000 common units of Brookfield Property Partners (BPY). The Foundation tendered its 119,000 common units of BPY and received as compensation cash of £653,504. The Foundation also received 2,731 preferred units of BPY and 25,995 shares of Brookfield Asset Management Inc. Donations of Investments are designated as Endowment assets although income generated on the Endowment is utilized by the Foundation for general purposes. The cash proceeds on tender were taken as income and utilized for general purposes.

8) CASH AT BANK AND IN HAND

<i>(all amounts in £)</i>	2021	2020
Current accounts	6,260	34,209
At 31 December	6,260	34,209

9. RECEIVABLES

<i>(all amounts in £)</i>	2021	2020
HMRC Gift Aid Receivable	-	81,250
At 31 December	-	81,250

During 2020, the Foundation received donations which were designated as gift aid. Gift aid had been claimed from HMRC and was outstanding at year end but was subsequently received post year end.

10) SUMMARY OF FUNDS

<i>2021 - (all amounts in £)</i>	Brought Forward	Incoming Resources	Resources Expended	Gains/ (Losses)	Carried Forward
Unrestricted funds – general fund	(3,596,609)	2,851,179	(4,515,023)	653,504	(4,606,949)
Endowment funds	1,260,761	-	-	(97,921)	1,162,840
	(2,335,848)	2,851,179	(4,515,023)	555,583	(3,444,109)

<i>2020 - (all amounts in £)</i>	Brought Forward	Incoming Resources	Resources Expended	Gains/ (Losses)	Carried Forward
Unrestricted funds – general fund	16,373	547,984	(4,160,966)	-	(3,596,609)
Endowment funds	1,646,566	-	-	(385,805)	1,260,761
	1,662,939	547,984	(4,160,966)	(385,805)	(2,335,848)

The endowment fund represents donations that have been made as endowments. The investment income earned on resources of the endowments is reported in the General Fund and is applied to fund the activities of the charity. The Foundation has a loan facility from one Trustee which is only repayable from donations in the future which enables the Foundation to be a going concern until those donations, which have been pledged to the Foundation, are received.

11) ANALYSIS OF NET ASSETS BETWEEN FUNDS

<i>2021 - (all amounts in £)</i>	Unrestricted Funds	Endowment Funds	Total Funds
Investments	-	1,162,840	1,162,840
Cash	6,260	-	6,260
Receivables	-	-	-
	6,260	-	6,260
Deposit with offset right	2,307,692	-	2,307,692
Loans Payable	(6,920,901)	-	(6,920,901)
	(4,613,209)	-	(4,613,209)
	(4,606,949)	1,162,840	(3,444,109)

<i>2020 - (all amounts in £)</i>	Unrestricted Funds	Endowment Funds	Total Funds
Investments	-	1,260,761	1,260,761
Cash	34,209	-	34,209
Receivables	81,250	-	81,250
	115,459	-	115,459
Deposit – with right to offset loans payable	2,307,692	-	2,307,692
Loans Payable	(6,019,760)	-	(6,019,760)
	(3,712,068)	-	(3,712,068)
	(3,596,609)	1,260,761	(2,335,848)

<i>(all amounts in £)</i>	2021	2020
Deposit on property:		
Opening balance	2,307,692	-
Purchases	-	2,307,692
At 31 December	2,307,692	2,307,692
Cost	2,307,692	2,307,692

During 2020, the Foundation committed to acquire numerous properties for its artist residency program at fair market value upon completion. The Foundation funded a deposit of £2,307,692 in 2020 for the properties which is expected to be approximately 50% of the total cost on completion. The premises are now entirely occupied for the Foundation residency program and the costs of the program have been expensed in the accounts. Upon completion of renovation of the properties, the balance of the costs of construction will be paid in full. It is expected that approximately a further £2.5 million will be payable. Until completion of the residency, the deposit can be Put at Face Value to extinguish a portion of the loan and the financial statements have been recorded as if that has taken place.

12) CONTROLLING PARTY

There is no controlling party.

13) STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE

<i>(all amounts in £)</i>	Unrestricted Funds 2020	Endowment Funds 2020	Total Funds 2020
Income and endowments from:			
Donations received	406,250	-	406,250
Investment income	141,734	-	141,734
Total	547,984	-	547,984
Expenditure on:			
Operations	(6,718)	-	(6,718)
Charitable activities giving	(4,154,248)	-	(4,154,248)
Total	(4,160,966)	-	(4,160,966)
Net gains / (loss) on investments	-	(385,805)	(385,805)
Net income / (expenditures)	(2,612,982)	(385,805)	(3,998,787)
Total funds brought forward	16,373	1,646,566	1,662,939
Total funds carried forward	(3,596,609)	1,260,761	(2,335,848)

14) LOAN FROM TRUSTEE

One of the Trustees (J. Flatt) has made available a loan facility of £15 million to the Foundation. The loan has a nil interest rate, and the Foundation has the option to repay it with cash or securities from donations received, or with property deposits at any time. The loan has no other maturity date. The total amount of the loan outstanding is £6,920,901 (2020 - £6,019,760). The property deposit was £2,307,692 at the end of both years and as the Foundation has the absolute right to repay it with this deposit, it has been treated as such and the loan outstanding in the accounts is recorded at the net of £4,613,209 (2020 - £3,712,068).

The Trustees have considered whether the loan falls under the definition of a financing transaction under FRS 102. Under FRS 102, such a transaction should be stated at its present value, measured by any future payment discounted at a market rate of interest. There are no clear repayment terms or timescale for the loan; the trigger for repayment is regarded as remote. Accordingly, the Trustees are of the opinion that the fair value of the loan amount to be included in the financial statements is its original monetary value.

There are no other related party transactions needing disclosure in the period.

15) CONTINGENCIES

The Foundation has a commitment to fund a further approximately £2.5 million to complete its artist residency program. This amount will be paid in the future when resources are available from donations; expected to be in 2023 or 2024. To fund this commitment, repayment of its loans, and its expenditures going forward, the Foundation has received a minimum pledge of £15 million to be paid over the next five years from one of its Trustees, and also has a credit facility of £15 million to bridge those receipts. Currently £4,613,209 is drawn on the loan facility.