

Registered number: 08861248
Charity number: 1180372

THE FOUNDATION FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

THE FOUNDATION FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2021**

Trustees	Sir Antony Gormley Lady Vicken Gormley Marco Compagnoni Richard Calvocoressi Laura Heath
Company registered number	08861248
Charity registered number	1180372
Registered office	15-23 Vale Royal London N7 9AP
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
Bankers	HSBC Private Bank 8 Cork Street Mayfair London W1S 3LJ Brown Advisory Investment Management 10 Bruton Street New Bridge Street London EC4V 6BJ
Solicitors	Weil Gotshal & Managers (London) LLP 110 Fetter Lane Holborn London EC4A 1AY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2021

Trustees Report

For the Year ended 31st January 2021

The Trustees present their annual report together with the audited financial statements of the company for the year 1st February 2020 - 31st January 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Aims, Objectives and Activities

The Foundation Foundation was established for the advancement of art for the public benefit by advancing education in the arts in particular but not exclusively through:

- The provision of grants to students at Central Saint Martin's College
- The provision of residencies to graduates of Norwich University of the Arts
- The provision of arts education facilities including studio space

In shaping the objectives and planning the Foundation's activities, Trustees have considered the Charity Commission's guidance on public benefit. The Foundation continued to draw on donations made in 2018/2019 (and income derived from them) to cover its running costs during the reporting period. Its activities are offered without charge to beneficiaries.

The Foundation is registered as a charity (registration number 1180372) and is not liable to UK taxation as it has no taxable activities. In the exercise of their powers, the Trustees have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

The following notes record the chief elements in the Foundation's programme during the year with particular reference to the accompanying financial statements.

Review of Activities

During this reporting period the charity continued its activities and responded to the Covid-19 pandemic. The Trustees made strategic decisions about the charity's programme and the long-term objectives of The Foundation Foundation.

The Foundation Foundation's scholar at Central Saint Martin's continued their studies this year and charity trustees Antony and Vicken Gormley met with them to see their work, discuss the course at Central Saint Martin's, and their plans for future work. In January 2021 the scholar deferred the completion of their course because of the impact of the Covid-19 pandemic but the charity looks forward to their graduation in the coming academic years.

It was anticipated that The Foundation Foundation would welcome two more graduates from Norwich University of the Arts' Fine Art BA programme to the residency facilities at High House in the summer of 2020. Unfortunately, because of the Covid-19 pandemic, these young artists were unable to take advantage of the opportunity but The Foundation Foundation and NUA have planned for the 2020 and 2021 scholars to take up consecutive places during the summer of 2021. Each will receive the £500 stipend to cover living expenses and materials. Selected by staff at Norwich University of the Arts, the graduates will spend 4 weeks of the summer away from the demands of their everyday lives to work on developing their practice at this crucial moment in their careers. At the end of the month, Antony and Vicken Gormley will join members of the NUA faculty to discuss the artists' progress and the next steps in their development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

Early in the year the trustees recognised that the Covid-19 pandemic was resulting in unprecedented challenges for practitioners in the visual arts. In order to support the continued creation of artwork through this difficult time they approached independent directors of charitable art institutions to nominate artists whose excellent work recommended them for a small grant to contribute to the continued practice of their work in this exceptionally difficult year. Grants of £2500 were offered to 8 artists in May 2020 and another 8 artists in January 2021, although 3 payments from the January round of grant making occurred post year-end.

In these ways the charity continued to fulfill its aims through its activities. The charity is actively furthering its objective to support education in the arts by funding a post-graduate place at Central Saint Martin's (until the current student completes their studies) and by developing young artists' practice through a funded residency at High House that includes an opportunity to receive constructive feedback from internationally recognised artists, Antony and Vicken Gormley. By supporting artists during the pandemic via the Covid-19 grants the trustees helped to ensure that there was no interruption to the development of excellent work for the public to access in the future.

This year there have been changes to the way that the trustees seek to meet their aims and objectives. The trustees have reviewed the provision of a bursary to Central Saint Martin's and decided that the £12,000 cost could be more effectively deployed in support of their aims and objectives. With this in mind they have informed Central Saint Martin's that they will not be renewing their relationship with the college when the current scholar completes their studies. In 2019-20 the charity offered weekly stipends to artists at all stages of their careers taking up residencies at High House. After board discussion this programme has been paused, pending further advice on its appropriate structure.

As the charity's activities continue, the Foundation will be assessing success by archiving images of work created at High House and seeking feedback from residency recipients as well as NUA faculty staff on the programme. The Foundation will similarly track the academic career of the 2019-21 bursary recipient and those who have received Covid-19 grants. The comments, thoughts and suggestions of all beneficiaries will be used by the Trustees to record success and develop the charity's work so that it always responds to the needs of those it seeks to assist.

The Trustees are satisfied with the progress made by the charity in achieving its activities during and subsequent to the reporting period.

Volunteers

The Foundation is grateful for the assistance of 1 administrative volunteer, Alice O'Reilly. It is estimated that approximately 130 volunteer hours were provided during the year. If this time is conservatively valued at £50 per hour, the volunteer effort amounts to £6500 in the reporting period.

Grant Making Policy

The Foundation wishes to make grants available to working artists at all stages of their careers. The overall intention is to use the monies of the Foundation to promote innovation, collaboration, education, and the extension of an ever-widening field of practice in sculpture, painting, performance and time based media. The trustees wish to use their expertise in the field and the expertise of others to identify individuals and areas of practice that would benefit from support. This will always be done in line with the objects of the charity to advance education in the arts and to advance the arts by encouraging high standards.

Whilst final responsibility for grant-making lies with the board of Trustees, decisions to offer grants to particular recipients are made by designated persons and board members as well as being delegated to Central Saint Martin's School of Art (in the case of the grant to cover tuition fees) and with the participation of staff from Norwich University of the Arts (in the case of the residencies for BA Fine Art graduates).

In the case of the Covid 19 grants trustees retained independence by requesting nominations of recipients from

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

experts working at a senior level of public facing, charitable arts organisations in the U.K.

Financial Analysis

At year end the Foundation holds Total Funds of £6,687,062 of which:

- £6,263,693 is held in investments
- £423,369 is in net current assets

The total incoming resources for the year were £81,471 (2020 - £51,488). Total resources expended were £115,371 (2020 - £47,028). At 31 January 2021, the charity held fund balances of £6,687,062 (2020 - £6,284,413) of which unrestricted funds was £6,694,562 (2020 - £6,284,413). There were no restricted or designated funds in either 2021 or 2020. The Trustees have decided to treat their investments for operational purposes as an expendable endowment in order to fund the current and future activities of The Foundation Foundation.

Investments

The investment aims of the charity are long term and its investment policy is therefore steered toward growth and protection against the threat of inflation.

The investments of the Foundation are managed by Brown Advisory and the Trustees maintain a diversified portfolio so as not to expose the Foundation to undue risk. The Foundation's investment policy is reviewed annually to ensure its continued efficacy and relevance. Income from investments will be disbursed as part of the Foundation's work and/or reinvested at the discretion of the Trustees.

The Trustees expect that the fund managers with whom the Foundation's assets are invested to behave with integrity, to be fully compliant with all regulatory requirements and to meet relevant codes of practice. In addition, investment managers are expected to take account in their decision-making of environmental, social and governance issues.

Although the charitable objects of the Foundation do not require the automatic avoidance of investment in any particular geography, sector or corporation the Trustees have decided to adopt an investment policy that prohibits exposure to those equities, bonds and other asset classes that might open the Foundation to criticism on ethical or environmental grounds. They recognise that this policy may impact the growth potential of their investments but have decided that this risk is acceptable to protect the Foundation's reputation.

The Foundation's long-term investment objective is to achieve CPI +3% per annum. The strategic asset allocation targets are currently: equities 70%, fixed interest assets 30%.

Reserves Policy

The Trustees aim to maintain general funds at a level and with such liquidity as to enable twelve to eighteen months of unrestricted charitable expenditure to be undertaken at any time.

At the end of the reporting period the charity had £98,041 in available cash.

The Trustees recognise that they are still developing a full programme of activity and therefore they have decided to continue to keep their reserves at a higher level than required by their reserves policy in order to provide for potential feasibility studies relating to possible building works and consultancy fees associated with investigating new avenues of grant making activity.

The Trustees will regularly review their reserves policy to ensure it remains appropriate in the context of their evolving range of activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

Risk Management

The Trustees review the major financial and non-financial risks to the Foundation in order to ensure that steps have been taken to minimise risk and to take action to mitigate the impact of any unavoidable risks. Risk is reviewed at least annually with action resulting from this analysis represented in the Foundation's Risk Policy.

One of the principal risks is inflation which has the potential to threaten the value of the Foundation's investments. This is particularly challenging when political and economic uncertainty in the wider world may cause volatility in the markets. Trustees have sought to minimise this risk by spreading the Foundation's investments over a broad strategic asset base and across global markets.

A key reputational risk has been identified by the Trustees in the types of equities and bonds to be invested in by the Foundation. Seeking to minimise this risk, the Trustees have devised a stringent investment plan for their investment manager (Brown Advisory) which proscribes classes of investments, for example equities in fossil fuels, tobacco and defence.

In this financial year the trustees identified the potential private benefit to artists receiving the Covid-19 grants as a potential reputational and financial risk. It was, however, agreed that in this case private benefit is incidental considering the small size of the grants and the circumstances in which the grants are made.

Information on Fundraising Practices

The Foundation does not currently rely on fundraising as a major source of income nor does it employ or engage professional fundraisers. The Foundation does not currently receive funding from the public or make applications to, other trusts and foundations. As a result, the Foundation is not registered with the Fundraising Regulator, however, should fundraising activities take place in the future the Foundation will review this. The Foundation is committed to avoiding any intrusive fundraising approaches and will never apply undue pressure to donate.

Going Concern

The Foundation has substantial resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements.

Strategic Review and Future Plans

At the date of this report the proposed changes to the charity's objects described in the 2019-2020 report continue to be discussed with the Charity Commission.

Throughout 2020-2021 the trustees have been making decisions towards a new grant making program. It is anticipated that this will offer charitable arts institutions across the country the opportunity to apply to the charity's Emerging Artists Exhibition Fund. This fund will offer support to meet the costs of exhibitions by artists enjoying their first solo exhibition in the U.K.

The strategic priorities of the Foundation will always be towards the charity's aim of advancing art for the public benefit by supporting education in the arts, recognising and fostering the potential of artists and thereby supporting a thriving, creative society in the U.K.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

Structure, Governance and Management

Constitution

The Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. It is a registered charity number 1180372.

Organisation

The Board of Trustees is appointed by majority agreement of the Charity's membership and meets regularly to review and make decisions by majority vote on the Foundation's activities and strategy. Day to day management of the Foundation is undertaken by Alice O'Reilly.

The Board of Trustees keeps under review the skills required of the Board. When necessary the Board will seek new Trustees in order to ensure that the Board has a relevant and appropriate mix of skills for the activities and plans of the Foundation.

The induction of new Trustees is designed to give them a proper understanding of all aspects of the work of the Foundation. On their appointment new trustees are given a copy of the Memorandum and Articles of Association, previous reports and accounts and the Annual Review.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Foundation Foundation for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 charitable group'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

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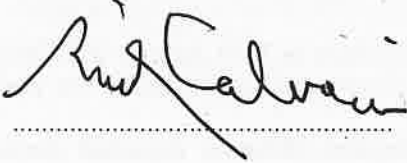
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

any relevant audit information and to establish that the charitable group's auditors are aware of that information.

In preparing the report, the Trustees have taken advantage of the small companies exemptions available under the Companies Act 2006.

This report was approved by the Trustees, on 13 / 9 / 21 and signed on their behalf by:

Richard Calvocoressi
Chairman, Board of Trustees



Vicken Gormley
Trustee & Director



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOUNDATION FOUNDATION

Opinion

We have audited the financial statements of The Foundation Foundation (the 'charitable company') for the year ended 31 January 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 charitable company's affairs as at 31 January 2021 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 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 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.

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

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 Auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' 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 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. 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;
- 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.
- 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.

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.

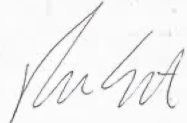
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Duncan Cochrane-Dyett BSc BFP FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Statutory Auditor
Maidstone
United Kingdom
Date: 4 October 2021

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	6,500	6,500	29,796
Investments	4	74,971	74,971	21,690
Total income		81,471	81,471	51,486
Expenditure on:				
Raising funds	5	51,396	51,396	17,916
Charitable activities	7	63,975	63,975	29,112
Total expenditure		115,371	115,371	47,028
Net gains on investments		436,549	436,549	51,437
Net movement in funds		402,649	402,649	55,895
Reconciliation of funds:				
Total funds brought forward		6,284,413	6,284,413	6,228,518
Net movement in funds		402,649	402,649	55,895
Total funds carried forward		6,687,062	6,687,062	6,284,413

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 26 form part of these financial statements.

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BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	12	6,263,693	6,101,818
Current assets			
Debtors	13	4,759	4,759
Investments	14	341,050	47,410
Cash at bank and in hand		98,041	137,853
		<u>443,850</u>	<u>190,022</u>
Creditors: amounts falling due within one year	15	(20,481)	(7,427)
Net current assets		<u>423,369</u>	<u>182,595</u>
Total net assets		<u><u>6,687,062</u></u>	<u><u>6,284,413</u></u>
Charity funds			
Unrestricted funds	16	6,687,062	6,284,413
Total funds		<u><u>6,687,062</u></u>	<u><u>6,284,413</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006 and under section 144 of the Charities Act 2011. The trustees have voluntarily opted for an audit under the Companies Act 2006.

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


.....
Marco Compagnoni

Date: 13/9/21

The notes on pages 16 to 26 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(95,817)	1,208,954
Cash flows from investing activities		
Dividends, interests and rents from investments	74,971	21,690
Proceeds from sale of investments	1,340,430	72,117
Purchase of investments	(1,065,756)	(6,122,498)
Net cash provided by/(used in) investing activities	349,645	(6,028,691)
Change in cash and cash equivalents in the year	253,828	(4,819,737)
Cash and cash equivalents at the beginning of the year	185,263	5,005,000
Cash and cash equivalents at the end of the year	439,091	185,263

The notes on pages 16 to 26 form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

1. General information

The Foundation Foundation is a charitable company limited by guarantee and incorporated in the United Kingdom.

The aim of the charity is the advancement of art for the public benefit by advancing education in the arts in particular, but not exclusively through: A. the provision of grants to students at Central Saint Martin's College; B. the provision of residencies to graduates of Norwich University of the Arts; C. the provision of arts education facilities including studio space.

All amounts in the financial statements are presented in British Pounds and are rounded to the nearest £1.

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 Companies Act 2006.

The Foundation 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

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had some impact on the company's operations as The Foundation Foundation receives its income in the form of dividends from stock market investments however these investments have proven to be robust. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Company 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

2. Accounting policies (continued)

2.4 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 raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company'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.

2.5 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.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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2. Accounting policies (continued)

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Company 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.

2.10 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 Company and which have not been designated for other purposes.

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

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	6,500	6,500	29,796
Total 2020	29,796	29,796	

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4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends accumulated	74,971	74,971	21,690
Total 2020	21,690	21,690	

5. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	51,396	51,396	17,916
Total 2020	17,916	17,916	

6. Analysis of grants

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £	Total funds 2020 £
Grant making	-	40,000	40,000	13,450

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7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	63,975	63,975	29,112
Total 2020	29,112	29,112	

8. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	40,000	23,975	63,975	29,112
Total 2020	13,450	15,662	29,112	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Audit fees	3,224	4,523
Accountancy fees	3,338	3,000
Professional fees	6,000	2,030
Sundry	-	76
Bank charges	12	24
Trustee expenses	-	9
Insurance	292	-
Listed investment foreign exchange rate loss	4,609	-
Professional fees - Bookkeeping	6,500	6,000
Total 2021	23,975	15,662

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3,224	4,523
Fees payable to the Company's auditor in respect of: All non-audit services not included above	3,338	3,000

10. Staff costs

During the year the charitable company employed no staff (2020: Nil). As a result, no employees received any remuneration in either year.

11. Trustees' remuneration and expenses

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

During the year ended 31 January 2021, no expenses were reimbursed or paid directly to Trustees (2020 - £9).

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12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 February 2020	6,101,818
Additions	1,065,756
Disposals	(1,401,946)
Revaluations	498,065
At 31 January 2021	6,263,693
Net book value	
At 31 January 2021	6,263,693
At 31 January 2020	6,101,818

13. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	4,759	4,759

14. Current asset investments

	2021 £	2020 £
Investments - Cash deposits	341,050	47,410

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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,500	-
Accruals and deferred income	6,981	7,427
	<u>20,481</u>	<u>7,427</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 February 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2021 £
Unrestricted funds					
General Funds - all funds	6,284,413	81,471	(115,371)	436,549	6,687,062

Statement of funds - prior year

	Balance at 1 February 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2020 £
Unrestricted funds					
General Funds - all funds	6,228,518	46,926	(42,468)	51,437	6,284,413

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17. Summary of funds

Summary of funds - current year

	Balance at 1 February 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2021 £
General funds	6,284,413	81,471	(115,371)	436,549	6,687,062

Summary of funds - prior year

	Balance at 1 February 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 January 2020 £
General funds	6,228,518	46,926	(42,468)	51,437	6,284,413

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	6,263,693	6,263,693
Current assets	443,850	443,850
Creditors due within one year	(20,481)	(20,481)
Total	6,687,062	6,687,062

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	6,101,818	6,101,818
Current assets	190,022	190,022
Creditors due within one year	(7,427)	(7,427)
Total	6,284,413	6,284,413

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the period (as per Statement of Financial Activities)	402,649	55,895
Adjustments for:		
Gains on investments	(436,549)	(51,437)
Dividends and interest from investments	(74,971)	(21,690)
Decrease/(increase) in debtors	-	1,252,466
Increase/(decrease) in creditors	13,054	(21,941)
Net cash provided by/(used in) operating activities	(95,817)	1,213,293

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	439,091	185,263

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21. Analysis of changes in net debt

	At 1 February 2020	Cash flows	Changes in market value and exchange rate movements	At 31 January 2021
	£	£	£	£
Cash at bank and in hand	137,853	(481,582)	441,770	98,041
Liquid investments	47,410	298,249	(4,609)	341,050
	<u>185,263</u>	<u>(183,333)</u>	<u>437,161</u>	<u>439,091</u>

22. Related party transactions

During the year, donations made without conditions to the charity by trustees totalled £Nil excluding Gift Aid (2020: £19,037).

There were no further related party transactions during the year.