

# **FIFTYFOUR TWO FOUNDATION**

**Registered Charity No. 1180441**

## **ACCOUNTS**

**FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2023**

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## **The FiftyFour Two Foundation (a Charitable Incorporated Organisation)**

### **Report of the Trustees for the financial year ended 30 September 2023**

The trustees present their report and the financial statements for the financial year ended 30 September 2023. These are prepared in accordance with the governing document, the recommendations of the Statement of Recommended Practice applicable to charities preparing their accounts following the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the small companies' regime of the Companies Act 2006.

#### **Structure, governance, and management**

The FiftyFour Two Foundation (54:2) is a grant-making Charitable Incorporated Organisation (CIO) formed in 2018. It is a company limited by guarantee and is also a registered charity (in England & Wales).

As a CIO, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the CIO's Constitution.

The trustees, who are also directors for the purposes of company law, who served during the period and up to the date of this report are:

- William Dalziel
- Hilary A Dalziel
- Jennifer R Stirrup
- Christopher D Dalziel
- Eleanor C Dalziel

The trustees are responsible for setting general policy and for the day-to-day running of the company, and meet at least annually, and up to four times a year, depending on the number of grant applications and other administrative matters that need to be considered.

Trustees are not remunerated for their services, and no payments or services were made to Trustees during the year (2022 Nil). New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction of new trustees will depend on experience.

#### **Objectives and principal activities**

54:2 was established to help small Charities by providing technical, administrative, and/or financial support with the intention of significantly increasing their impact and/or reach. It aims to promote the Christian faith, relieve poverty, and advance education.

The charitable objectives of the company, which are for the public benefit, are:

1. The prevention or relief of poverty.
2. The advancement of education, in particular the development of individual capabilities, competence, leadership, skills and understanding.
3. The advancement of the Christian faith.
4. To advance the efficiency and effectiveness of Charities and the effective use of charitable resources; and
5. To advance such charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time by the provision of grants and other financial assistance.

In making grants, preference is given to registered charities. Where the proposed recipient organisation is not a registered charity, the trustees undertake an examination of the organisation to ensure the purpose of the grant is well aligned with 54:2 Foundation's objects, that the grant is for public benefit, and that there are controls in place to ensure as far as practicable that any grant made to the organisation, will be properly applied to such charitable purpose, failing which, it is returned.

The trustees avoid grants to individuals. While we have made grants to individuals, such grants are few and small. With a few notable exceptions, we do not generally have sufficient information to ensure any Grants

to individuals fully meet the Foundation's Charitable Objects. As such, we generally prefer to work with organisations as opposed to individuals.

The trustees also avoid grants to organizations of an overtly political nature, including organisations established to promote a subjective opinion.

We aim to work with organisations with whom our Trustees have first-hand experience, and that are developing innovative approaches to addressing significant social challenges, have a roadmap to sustainability, and where our funding can make a meaningful difference. Typically, but not exclusively, these would be local, focused organisations that operate from a Christian philosophy of service. We are particularly interested in investing in organisational development, to build governance and administrative capacity, so, in addition to funding, we often contribute technical, administrative, governance and other support as needed. We have also been able to fund infrastructure that will release bottlenecks in service delivery.

We understand that Charities find it easier to find funding for high-visibility projects and buildings, so we focus on those areas that prove more difficult, such as overheads and administration. Well-governed and administered Charities are more likely to be effective in delivering their mission.

### **Risks**

The trustees confirm that the major risks to which the charity is exposed have been identified and reviewed and that systems are in place to mitigate those risks.

### **Public benefit**

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the period which are set out below.

### **Achievements and performance**

This is our fifth full year of operation. We have followed the criteria established by the Trustees to guide our Charitable Grant-making, largely through engaging with Charities and organisations mostly local to our Trustees, in Bristol, London and the East Midlands. In addition, we have continued to support charitable projects in Zimbabwe.

In the period under review, 64% of our Grant funding has gone to Charities that are focused on the advancement of the Christian Faith and social action, 16% to Education initiatives, 13% to relieving poverty and 7% to fund capacity-building initiatives at UK Charities.

We have continued to support a focused number of charities in the UK. Some of the organisations we are partnering with are involved in:

- supporting women at risk of sexual violence and/or modern slavery (Orchards),
- working with offenders and their communities (Junction 42),
- providing housing and support to people at risk of homelessness (King's Church London),
- strengthening families and marriages (Marriage Care), and
- responding to humanitarian crises (The Cascaid Trust).

We have also supported a community-authored project in Zimbabwe helping to create jobs in a rural area.

We were particularly pleased to be able to continue to work with a charity in the East Midlands, The Well Kibworth, that is working to address the causes and consequences of poverty and loneliness in rural Leicestershire. We have committed to a three-year funding program that will strengthen its capabilities, develop its theory of change, and enable it to build a long-term funding strategy.

In 2022/23 we have seen progress on an affordable housing initiative in Kenya, Placemakers, which we have provided some equity funding for. The project is innovating a “rent-to-own” housing model, which will enable individuals without a way to build a credit history to live in housing that will contribute to improved quality of life, better sanitation, better health outcomes and be closer to sources of employment than the slum housing that would otherwise be their only alternative.

This is a proof-of-concept for the premise that well-planned and delivered affordable housing can be an attractive asset for local long-term institutional investors while meeting pressing housing needs. The project is engaged with local capital providers, lenders, Government agencies and others who we expect will take on the scaling up of the concept if the project is successful.

We want to thank the Charities and organisations we have been able to support this year. We are grateful to be able to partner with organisations that are visionary, ambitious, creative, undaunted, and passionate about bringing about change for good.

### **Financial review**

As the financial statements show, the charity had just over £1.2 million in income during the current financial period. This was ahead of the Trustees’ plans – the result of income that was expected over the next four years being brought forward. This will not be repeated, so we anticipate that our annual income will now significantly reduce. The Trustees have considered the need to maximise the impact of the Charity’s available funds and have put in place plans to steward the resources carefully for maximum public benefit.

Total expenditure for the period was £180,789.58. Of this expenditure, 97.0% was in the form of Grants, and a further 1.7% was spent on strengthening the capacity of the Charity, with only 1.3% spent on administrative costs. Allowing for reserves brought forward, this leaves £1,126,938.69 as the Charity’s retained surplus and reserves.

Of this balance, £131,596 is classed as Designated Funds. As we consider future grant applications, it is the Trustees’ policy to limit any commitments to those that can be fully met from funds in hand, and any future commitments are set aside as Designated Funds.

The trustees review the reserve levels at each Trustee meeting. This review includes any income, new Grant applications and committed grants. The Charity has no meaningful operating costs, as the administration and oversight are carried out voluntarily. As such, the Trustees consider that the level of reserves not held for a specific purpose which are needed to support the Charity are de minimis, and more than adequately covered by our present reserves.

### **Plans for future periods**

We continue to receive unsolicited Grant Applications, many of which do not meet our grant-making criteria and priorities. We are currently not considering unsolicited grant applications. We intend to continue to develop our website so that, among other things, it will help grant applicants understand our Charity’s objects, priorities, and approach more clearly.

It has been very encouraging to see organisations that we have partnered with since we started, reach the point where they no longer need our support as they have achieved sustainability. As these organisations move on and up, we will be looking to engage with another two or three Charities and organisations in Bristol and Leicestershire that fit our criteria.

The Trustees expect that grants will continue to be made at a similar annual rate to the past four years.

In addition to grants, we will consider using our reserves to make loans to, and investments in, business ventures with social objectives, provided we can have confidence in the sustainability of their business model.

### **Trustees’ responsibilities statement**

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees’ report (incorporating the directors’ report) and the financial statements in accordance with 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). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the affairs of the

charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

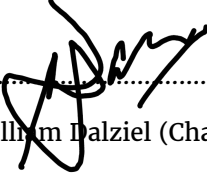
- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that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

The trustees are responsible for maintaining adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable the trustees to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


This report was approved by the trustees on 14<sup>th</sup> March 2024 and is signed on their behalf by:

On behalf of the Trustees – FiftyFour Two Foundation

  
.....  
William Dalziel (Chair)

15 March 2024  
.....  
Date

# Independent Examiner's Report to the Trustees of FiftyFour Two Foundation for the Year Ended 30<sup>th</sup> September 2023

This is my report to the board of trustees of FiftyFour Two Foundation, on the annual report for the year ended 30 <sup>th</sup> September 2020 set out on pages 7 – 9	
<b>Respective responsibilities of trustees and examiner</b>	<p>The Trustees are responsible for the preparation of the annual reports. I note that the trustees of FIFTYFOUR TWO FOUNDATION (54:2 FOUNDATION) have received a dispensation from audit for the financial statements for the year ended 30 September 2023, as granted by the Charities Commission under Regulation 34(3)(a) of the Charities (Accounts and Reports) Regulations 2008. This dispensation is acknowledged in the preparation and examination of these accounts.</p> <p>It is my responsibility to:</p> <ol style="list-style-type: none"> <li>1. examine the accounts under section 145 of the Charities Act,</li> <li>2. to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and</li> <li>3. to state whether particular matters have come to my attention.</li> </ol>
<b>Basis of independent examiner's statement</b>	<p>My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records.</p> <p>It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.</p>
<b>Independent examiner's statement</b>	<p>In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:</p> <ul style="list-style-type: none"> <li>• accounting records were not kept in accordance with section 130 of the Charities Act or</li> <li>• the accounts do not accord with the accounting records</li> </ul> <p>I have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.</p>
<b>Examiner's signature</b>	
<b>Examiner's name</b>	STERLING LIBS FCCA, MAAT
<b>Date</b>	14/03/2024
<b>Relevant professional qualification(s) or body</b>	Association of Chartered Certified Accountants (ACCA), Association of Accounting Technicians (AAT),
<b>Examiner's address</b>	160 Hollingwood Lane, Bradford BD7 4DB

**FIFTYFOUR TWO FOUNDATION  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30/09/2023**

	Unrestricted Funds	Restricted Funds	Total funds 2023
	£	£	£
<b>INCOME</b>			
Voluntary Income	0.00		0.00
Other income	1,227,469.98		1,227,469.98
<b>TOTAL INCOME</b>	<u>1,227,469.98</u>		<u>1,227,469.98</u>
<b>EXPENDITURE</b>			
Charitable giving	175,355.18		175,355.18
Accountancy fees	956.40		956.40
subscriptions	403.20		403.20
Administrative expenses	4,074.80		4,074.80
Other expenses			
<b>TOTAL EXPENDITURE</b>	<u>180,789.58</u>		<u>180,789.58</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>1,046,680.40</u>		<u>1,046,680.40</u>
<b>TOTAL FUNDS BROUGHT FORWARD</b>	<u>80,258.29</u>		<u>80,258.29</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,126,938.69</u>		<u>1,126,938.69</u>



**FIFTYFOUR TWO FOUNDATION  
BALANCE SHEET AS AT 30/09/2023**

	<b>2023</b>	<b>2022</b>
<b>FIXED ASSETS</b>		
Tangible Fixed Assets	0.00	0.00
	0.00	0.00
<b>CURRENT ASSETS</b>		
Cash at bank and in hand	42,382.27	7,701.87
Portfolio Custody Account	1,000,000.00	0.00
Loan to Angello Dev't fund	72,556.42	72,556.42
Loan to Boromi Ltd	12,000.00	0.00
	1,126,938.69	80,258.29
<b>LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Creditors	0	
<b>NET CURRENT ASSETS</b>	1,126,938.69	80,258.29
<b>NET ASSETS</b>	1,126,938.69	80,258.29
<b>Represented by</b>		
<b>FUNDS</b>		
Unrestricted Funds	995,342.69	80,258.29
Restricted Funds	131,596.00	0.00
<b>TOTAL FUNDS</b>	1,126,938.69	80,258.29

Approved by the Board of Trustees on:..... and signed by

William Dalziel (Chairman) .....

**FIFTYFOUR TWO FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30/09/2021**

**Note 1**

**Basis of Preparation and accounting policies**

The Charity – FiftyFour Two Foundation (The Foundation), is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 and with the Regulations’ “true and fair view” provisions, together with FRS102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice,

The financial statements have been prepared under the historical cost convention.

**Funds:**

Unrestricted funds represent the funds of the Foundation that are not subject to any restrictions regarding their use and are available for application for the general purposes of the charity.

Designated or restricted funds are funds earmarked by the trustees for a particular purpose. The designated or restricted fund shown in the accounts is for future Grants to certain Charities with whom we have agreed medium term funding.

The accounts include all transactions, assets, and liabilities for which the trustees are responsible in law.

**Income**

***Voluntary income and capital sources***

- i. Donations are recognised when received by or on behalf of the Foundation.
- ii. Planned giving receivable under Gift Aid is recognised only when received.
- iii. Income tax recoverable on Gift Aid donations is recognised when the related income is recognised.
- iv. Grants and legacies to the Foundation are accounted for as soon as the Foundation is notified of its legal entitlement, the amount due is quantifiable and its receipt by the Foundation is reasonably certain.

***Income from investments***

- i. Interest entitlements are accounted for as they fall due.
- ii. Tax recoverable on such income is recognised in the same accounting period.