

The Generational Foundation

Trustees' Report and Financial Statements
for the period from 18 November 2020
to 31 December 2021

Registered Charity Number: 1192397

The Generational Foundation

**Financial Statements
for the period ended 31 December 2021**

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The Generational Foundation

Report of the Trustees for the Period Ended 31 December 2021

The Trustees present their report and the audited financial statements for the period ended 31 December 2021.

The Financial Statements comply with the Charities Act 2011, the governing document and Accounting and Reporting by Charities' Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019.

Our Purposes and Activities

The purpose of the Charity is advance such charitable purposes (according to the Law of England and Wales) for the public benefit as the charity Trustees shall see fit from time to time.

Public Benefit

Nothing in the constitution shall authorise an application for payments from the CIO for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

The Trustees confirm that they have complied with their duties under Section 17 of the 2011 Charities Act with regard to public benefit.

Achievements and Performance

During this first operational reporting period for the Charity, the Trustees have begun to put in place procedures for the consideration and making of charitable grants for the public benefit. This includes consideration by the Trustees of priority areas, and the potential for specific organisations to provide public benefit and impact. Three grants were made in the initial period, to Spinal Research, The Sutton Trust, and The Outward Bound Trust, representing the Trustees' initial grant making priorities.

The Generational Foundation

Report of the Trustees for the Period Ended 31 December 2021 - continued

Financial Review

The Charity's work is entirely reliant on a donation made by two members of the Trustee Board.

At 31 December 2021 the Charity's total funds amounted to £1,129,879.

Investment and Reserves Policy

In the first period of operation, the Charity was generously funded by the Headley family. Assets not immediately needed for grant making or operational costs have been placed on deposit with C Hoare & Co while the Trustees develop the Charity's medium term strategy. The Charity has minimal overheads and significant unrestricted funds and because all anticipated costs and expenditures are provided for, the Trustees have not formally adopted a prescriptive reserves policy.

Future Developments

Looking ahead, the Trustees will continue to develop procedures for the consideration and making of grants for charitable purposes for the public benefit. It is anticipated that grants will continue to be made in the areas of education and the advancement of health, and that the Trustees will consider additional grants to projects benefiting children and young people for the public benefit. It is anticipated that the number and monetary value of grants to be made by the Charity in the next operational period may be increased.

The Generational Foundation

Report of the Trustees for the Period Ended 31 December 2021 - continued

Reference and Administrative Information

Charity Name:	The Generational Foundation
Charity Registration Number:	1192397
Principal and Operational Address:	c/o Withers LLP 20 Old Bailey London EC4M 7AN
Trustees:	Meg Headley (appointed 18.11.20) Andrew Headley (appointed 18.11.20) Zoe Cronin (appointed 18.11.20)
Bankers and Fund Holders:	C Hoare & Co 37 Fleet St Temple London EC4Y 1BT
Registered Auditors:	Haines Watts (East Midlands) Ltd Chartered Accountants & Registered Auditors 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP
Solicitors:	Withers LLP 20 Old Bailey London EC4M 7AN

The Generational Foundation

Report of the Trustees for the Period Ended 31 December 2021 - continued

Structure, Governance and Management

Governing document

The organisation is a charitable incorporated organisation (CIO) governed by its Constitution effective from the Charity's formation by the Charity Commission for England and Wales on 18 November 2020.

Recruitment and appointment of Trustees

In this first operational period, the Charity has had three Trustees, who each agreed to serve from formation of the Charity. Each Trustee has been provided with a full briefing on the role of charity trustee, a copy of the Constitution and policies of the Charity and duly declared their willingness to act. Consistent with the Charity's philanthropic mission, the current Trustees include the principal funders. The Trustees bring with them a range of experiences and expertise that are relevant to implementing the Charity's purpose.

Organisational structure

The Trustees are responsible for the strategic direction of the Charity and meet as required to consider grants as well as to address compliance obligations of the Charity. The Charity has no employees.

Risk Management

The Trustees have conducted a review of the major risks to which the Charity is exposed. Risks are minimised by the delegation of management and administrative tasks to appropriate professionals. The Charity is still in the earliest stage of its operational development and the Trustees are committed to developing an operational framework to will allow the Charity to operate efficiently for the public benefit and review and mitigate risk. In the coming operational period, they may implement additional policies or procedures to assist the Charity in this regard.

Trustees' Responsibilities in relation to the Financial Statements

The Trustees are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed require the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure of the Charity for that period. In preparing those 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;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements in accordance with applicable law and UK Generally Accepted Accounting Practice.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Generational Foundation

Report of the Trustees for the Period Ended 31 December 2021 - continued

Auditors

Haines Watts (East Midlands) Ltd, the Charity's auditors, were appointed in the period and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 31/10/2022 and signed on their behalf by:



.....
A Headley – Trustee

**Report of the Independent Auditors
to the Trustees of The Generational Foundation**

Opinion

We have audited the financial statements of The Generational Foundation (the charity) for the period ended 31 December 2021 on pages nine to fifteen which comprise the Statement of Financial Activities, the summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. 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 its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with 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 UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note fourteen to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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.

Report of the Independent Auditors to the Trustees of The Generational Foundation

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page four, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with the Charity Commission.
- Performing detailed substantive testing over all material individual transactions during the period.

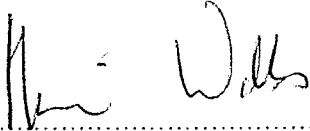
Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

**Report of the Independent Auditors
to the Trustees of The Generational Foundation**

Use of the report

This report is made solely to the charity's trustees, as a body, in accordance 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Statutory Auditor
Haines Watts (East Midlands) Ltd
Chartered Accountants and Registered Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Dated: 31/10/22.

The Generational Foundation
Statement of Financial Activities
(Including Income and Expenditure Account)
for the Period Ended 31 December 2021

		Unrestricted Funds 2021 £
INCOME	Note	
Donation (inc. Gift Aid)	2	<u>1,250,130</u>
TOTAL INCOME		<u>1,250,130</u>
 EXPENDITURE		
Governance Costs		
Bank Charges		91
Legal Fee		1,260
Audit Fee		3,900
 Expenditure on Charitable Activities		
Grants and Donations	3	<u>115,000</u>
TOTAL EXPENDITURE		<u>120,251</u>
 NET INCOME/EXPENDITURE AND NET MOVEMENT IN FUNDS		 1,129,879
 RECONCILIATION OF FUNDS:		
Fund Balances brought forward		<u>-</u>
 FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 2021	 7	 <u>1,129,879</u>

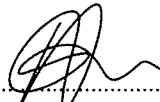
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 12 to 15 form part of these accounts.

The Generational Foundation
Balance Sheet as at 31 December 2021

	Note	2021 £	£
CURRENT ASSETS			
Cash at Bank		<u>1,133,779</u>	
Total Current Assets		1,133,779	
CREDITORS DUE WITHIN ONE YEAR:			
Other Creditors		<u>3,900</u>	
NET CURRENT ASSETS			<u>1,129,879</u>
NET ASSETS			<u>1,129,879</u>
THE FUNDS OF THE CHARITY:			
INCOME FUNDS			
General Fund	7	<u>1,129,879</u>	
TOTAL CHARITY FUNDS			<u>1,129,879</u>

Approved by the Trustees on31/10/2022..... and signed on their behalf by:



M Headley - Trustee

The notes on pages 12 to 15 form part of these accounts.

The Generational Foundation
Cash Flow Statement as at 31 December 2021

	£
Net Cash Flow – Operating Activities	1,113,779
Net Cash Resources at 31 December 2021	<u>1,133,779</u>

The Generational Foundation

Notes to the Financial Statements for the Period Ended 31 December 2021

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a. Basis of Accounting

The Financial Statements have been prepared in accordance with the 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 (FRS102) effective 1 January 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Charity constitutes a public benefit entity as defined by FRS102.

The Trustees' consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The accounts are presented in sterling (£).

b. Fund Accounting

- Income Funds can be used in accordance with the Charitable Objectives at the discretion of the Trustees.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Permanent Endowment Funds capital is retained on a permanent basis. Income can be used in accordance with the Charitable Objectives.

c. Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income including interest on funds held on deposit is recognised according to its due date of receipt.
- Monetary donations are recognised when the charity has received the relevant remittance.
- Donated services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt, where this can be quantified. No value is placed on the services provided without charge of the Trustees.

The Generational Foundation

Notes to the Financial Statements for the Period Ended 31 December 2021 – continued

d. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with generating the investment income.
- Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services to its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

e. Taxation

The Charity is exempt from tax on its charitable activities.

f. Debtors

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

g. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

h. Financial Instruments

The Charity 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.

i. Donated Services, Good and Facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

j. Judgement and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

The Generational Foundation

**Notes to the Financial Statements for the
Period Ended 31 December 2021 – continued**

2. Donations (Inc. Gift Aid)

	2021 £
Donations	1,250,130
	<u>1,250,130</u>
Net income is stated after charging:	
Auditor's Remuneration	<u>3,900</u>

3. Grants and Donations

	2021 £
Spinal Research	5,000.00
The Sutton Trust	60,000.00
The Outward Bound Trust	50,000.00
	<u>115,000.00</u>

4. Auditors' Remuneration

Auditors' remuneration for the period for the audit of the financial statements was £3,900.

5. Trustees' Remuneration

No Trustees' remuneration or other benefits have been paid for the period ended 31 December 2021.

Trustees' Expenses

No Trustees' expenses have been paid for the period ended 31 December 2021.

6. Related Parties

There are no related party transactions in the period, other than shown in Note 10.

7. Analysis of Net Assets Between Funds

	Current Assets £	Current Liabilities £	2020 Total £
General Fund	1,133,779	(3,900)	1,129,879
	<u>1,133,779</u>	<u>(3,900)</u>	<u>1,129,879</u>

The Generational Foundation

Notes to the Financial Statements for the Period Ended 31 December 2021 – continued

8. Movement in Funds

	As at 18.11.2020 £	Income £	Expenditure £	As at 31.12.2021 £
General Fund (Unrestricted)	-	1,250,130	120,251	1,129,879
Total Fund	-	1,250,130	120,251	1,129,879

There are no restricted fund balances held.

9. FRC Ethical Standard Provision Available for Small Entities

In common with many other entities of our size and note, we ask our auditors to assist with the preparation of the financial statements.

10. Gift from Andrew and Meg Headley

Mr and Mrs Headley, trustees of the Charity, donated to the Charity in cash a total of £1,000,000 on 26 May 2021 to be used to develop the work of the Charity in accordance with its Trust Deed.

11. Cash Flow Statement

	£
Net Incoming Resources	1,129,879
Adjustments	-
Increase in Creditors	3,900
	<u>1,133,779</u>