

Charity registration number 1196234

**THE ABSTRACT FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 MARCH 2023**

THE ABSTRACT FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mr M L Glatman Ms S Miles Ms J L Ropner
Charity number	1196234
Principal address	10 Rose and Crown Yard King Street London SW1Y 6RE
Auditor	Xeinadin Audit Limited 1 City Road East Manchester M15 4PN
Bankers	Coutts & Co St Martins Office 440 Strand London WC2R 0QS

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**THE ABSTRACT FOUNDATION**

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# THE ABSTRACT FOUNDATION

## TRUSTEES' REPORT

### ***FOR THE PERIOD ENDED 30 MARCH 2023***

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The trustees present their annual report and financial statements for the period ended 30 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The Foundation aims to improve the lives of young people aged 0 to 30 in the UK, in a significant and lasting way. We achieve this by bringing together donors so we can provide funding to support the work of outstanding organisations.

The objects of the CIO are to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit from time to time, in particular, but not limited to:

- Advancing the education (including social and physical training) of young people for the public benefit, in such ways as the charity trustees think fit, in particular, but not exclusively, by providing grants to individuals in need and/or organisations that support such people; and
- Advancing in life and relieving the needs of young people, in such ways as the charity trustees think fit, in particular, but not exclusively, by providing grants to support activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.

The trustees have had regard to the Charity Commission guidance on public benefit.

#### **Grant Making**

We have carried out our objects by providing both unrestricted and restricted grants to organisations who work with and support young people. The Foundation has a Grant Making Policy which outlines the principles, criteria and processes which we apply when awarding grant funding.

#### **Our priorities**

- Improving young people's access to career development and training opportunities, including apprenticeships, which will help them to improve their life chances, find employment or start a business;
- Improving young people's physical, mental or emotional wellbeing;
- Improving young people's skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
- Supporting young people who are experiencing or at risk of homelessness.

#### **Our approach to grant making**

- As a new foundation we want to apply best practice in our grant making and to be as supportive and flexible as possible for our grantees.
- Where possible, the grants we make are unrestricted, or only lightly restricted (e.g. requiring them to be spent within a specific timeframe).
- We have regular contact with our grantees, and request annual reports from them about the activities and outcomes which we have supported. If we award an unrestricted grant, we look at the overall activities and results of the organisations we have funded.
- We use our network of donors and contacts to provide grantees with additional support and resources.

# THE ABSTRACT FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2023

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#### Achievements and performance

##### Education

Our first grant was made to Netherhall School in Cambridge. We awarded them £500,000 of funding over 5 years to deliver two core programmes, both of which were officially launched in September 2022.

**Integrate** – creating and delivering a free programme of support and information for families throughout a student's educational life, via online video content and in-person events.

- The first few months of the project have been very successful, a range of courses have been provided on topics including Supporting Teens with Anxiety, County Lines and Navigating the Job Market. Over 200 people attended the "Power-Up Festival" which featured a range of activities, advice and information, including wellbeing, sport, energy saving, career advice, and healthy food.
- 99% of attendees who have provided feedback gave their experience a rating of 5-stars.
- We believe that providing resources and training for families will enable them to better understand and support young people and contribute to their success.

**Innovate** – creating and delivering a distinct pathway, tailored towards students who experience barriers to engagement with traditional curriculums, establishing an alternative route to success.

- There are currently 22 students enrolled, and although it has only been running for one full term there are already promising results, with attendance and behaviour improving for nearly all students. Of the students who responded to a recent survey, over 90% said the curriculum was meeting their needs and over 90% felt they were making progress.
- The Innovate Curriculum is designed to support enhanced wellbeing, provide an alternative and diverse range of outcomes for students, and enable positive progression to post-16 education, employment, or apprenticeships.
- This program is, as far as we know, unique, and we expect that some challenges will be encountered. However, we believe that it will help young people to find employment, improve their life chances and develop the skills they need to participate in, and contribute to, society.

##### Youth homelessness

We made youth homelessness the focus of our first major funding round because it is a serious and growing problem in the UK. In 2020/21, 122,000 people aged 16-24 presented to their local authority as homeless or at risk of homelessness, this was the fifth consecutive year this figure has increased.

We did not issue an open invitation for applications, instead, we did extensive research to identify organisations where we felt our funding could have the greatest and most meaningful impact in both the short and long term. In order to do this, we set the following criteria:

- **Size** – organisations with an annual income of £500k-£2.5m, this means they are small enough for a grant to have a significant impact but large enough to have appropriate leadership and systems.
- **Support** – we wanted to identify organisations which provide all the support necessary to give young people the best possible chance of long-term success and independence.
- **Reach** – we didn't focus on reaching a large or specific number of beneficiaries, instead we looked for smaller but truly inspirational organisations, providing really personal care.
- **Impact** – we wanted to find organisations who ensure young people don't become homeless again, tackle any underlying issues and provide support for positive next steps.

In February 2023 we awarded the following grants:

- Rush House – £250,000 of unrestricted funding over 3 years, to be spent within 5 years
- Safe and Sound Homes – £150,000 of unrestricted funding to be spent within 3 years
- New Horizon Youth Centre – £100,000 of unrestricted funding to be spent within 3 years

We are currently finalising a grant of £500,000 to Park Lodge Project to buy and furnish a 5-6 bedroom house. The house will accommodate young people who are ready to start work, but who aren't ready to live independently.

# THE ABSTRACT FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE PERIOD ENDED 30 MARCH 2023*

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#### **Financial review**

Income for the year was £1.3 million. This includes £640,000 received from Abstract Securities Limited (ASL), and £676,000 from other individual and corporate donors. Our overhead costs were £20,580, all of which were covered by an unrestricted donation from ASL. We made grants totalling £534,000, with a further £466,000 committed in multi-year funding agreements.

ASL is committed to providing unrestricted funds to cover all our overheads costs. This means that 100% of donations received from other donors, and 100% of restricted funds received from ASL, go to grant recipients.

#### **Risk management**

The trustees have considered the major risks to which the Charity is exposed and they have policies, systems and procedures in place to mitigate them. Our principal operational risk is the extent to which the grants we award succeed in furthering our charitable objects. We manage this risk by conducting extensive due diligence and research into organisations before we award them with funding, and, where necessary, seeking advice from people and organisations with relevant expertise.

#### **Fundraising**

The Foundation did not use online fundraising platforms and did not engage professional fundraisers or other commercial organisations to fundraise on its behalf. Donations were generated from organisations and individuals with direct contact with the trustees.

#### **Reserves**

At 30th March 2023, the Foundation held a total of £308,947 in funds, of this £287,500 is restricted, and £21,447 is unrestricted. Given that The Abstract Foundation is a newly established CIO, which has been set up as a demonstration of the commitment of our main corporate funder (Abstract Securities Limited) to our charitable objects, the trustees have decided there is a relatively low risk of losing funding in the near future and therefore only a low level of reserves is needed. Our aim is to maintain approximately 3 months' worth of running costs as unrestricted reserves (≈ £10,000). Our agreement with ASL requires them to provide us with 3 months' notice to end our partnership; we therefore believe this will provide us with sufficient funds to ensure support and governance costs are covered whilst we secure alternative funding and/or fulfil any existing obligations.

#### **Plans for future periods**

The next round of grants will be awarded at the end of 2024, and the trustees aim to award up to £4 million in funding. In order to achieve this, the trustees will undertake another, larger, round of fundraising from individual and corporate donors. We will also seek to partner with other charitable foundations to provide match funding.

We will identify 3 or 4 specific funding themes for 2024 in the coming months, however, all grants will be made to support young people. We felt that our approach of conducting our own research to identify potential recipients was effective, it resulted in us finding excellent organisations who might not have the resources to find and apply for funding themselves. We plan to repeat this process for our 2024 themes.

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

##### **Governing document**

The charity is governed by its Constitution dated 21.10.2021, and constitutes a Charitable Incorporated Organisation (foundation structure).

# THE ABSTRACT FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2023

#### **Recruitment and appointment of trustees**

The governing document provides for a Board of Trustees which consists of up to seven persons. Trustees are appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

#### **Trustee induction and training**

New trustees receive an induction to provide them with relevant background information and inform them of their obligations under charity law. During this induction, they are provided with a copy of the constitution, a copy of the latest Trustees' Annual Report and Statement of Accounts, and a copy of the Policy and Governance Handbook. Trustees are encouraged to attend relevant external training events.

#### **Organisational structure**

The Board of Trustees is responsible for overall governance of the charity and meets regularly throughout the year. A Consultant is engaged to assist the trustees with the day-to-day operations of the Foundation.

#### **Related parties**

Abstract Securities Limited (Company No/ 03949990) is a key donor to The Abstract Foundation. Mark Glatman is a director and person with significant control, and Stephanie Miles is a director. There is a clear Memorandum of Understanding which provides a framework for the relationship. The Parties acknowledge and agree that where any trustee of the Foundation is also a director or employee of Abstract Securities Limited, that trustee shall ensure that they avoid any conflicts of interest and act in good faith for the Foundation and its beneficiaries.

Further details of related party transactions can be found in note 13 to the accounts.

#### **Reference and Administrative Details**

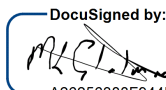
Registered Charity Number – 1196234

Principal Address – 10 Rose and Crown Yard, King Street, London, SW1Y 6RE

#### **Trustees**

	<b>Appointed On</b>
Mark Lewis Glatman	21.10.2021
Stephanie Miles	21.10.2021
Johanna Louise Ropner	21.10.2021

Signed on behalf of the Board of Trustees of The Abstract Foundation.

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Mr M L Glatman  
 Chair of Trustees

3 August 2023

# THE ABSTRACT FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE PERIOD ENDED 30 MARCH 2023*

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

# THE ABSTRACT FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ABSTRACT FOUNDATION

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#### Opinion

We have audited the financial statements of The Abstract Foundation (the 'charity') for the period ended 30 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 30 March 2023 and of its incoming resources and application of resources, for the period 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 UK, including the FRC'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 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 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.

# THE ABSTRACT FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE ABSTRACT FOUNDATION

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 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 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 144 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

# THE ABSTRACT FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE ABSTRACT FOUNDATION

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- assessed whether judgments and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

### 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Xeinadin Audit Limited*

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**Xeinadin Audit Limited**

3 August 2023

**Accountants  
Statutory Auditor**

1 City Road East  
Manchester  
M15 4PN

Xeinadin Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE ABSTRACT FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE PERIOD ENDED 30 MARCH 2023**

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b><u>Income from:</u></b>				
Donations and gifts		40,000	1,287,500	1,327,500
Interest receivable		2,027	-	2,027
<b>Total income</b>		42,027	1,287,500	1,329,527
<b><u>Expenditure on:</u></b>				
Fundraising costs		3,391	-	3,391
<b><u>Charitable activities</u></b>				
Education	2	6,675	500,000	506,675
Youth Homelessness	2	10,514	500,000	510,514
<b>Total charitable expenditure</b>		17,189	1,000,000	1,017,189
<b>Total expenditure</b>		20,580	1,000,000	1,020,580
<b>Net income for the period/ Net movement in funds</b>		21,447	287,500	308,947
Fund balances at 21 October 2021		-	-	-
<b>Fund balances at 30 March 2023</b>		21,447	287,500	308,947

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

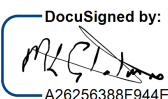
# THE ABSTRACT FOUNDATION

## BALANCE SHEET

**AS AT 30 MARCH 2023**

	Notes	2023 £	£
<b>Current assets</b>			
Debtors	8	58,980	
Cash at bank and in hand		721,042	
		<hr/>	
		780,022	
<b>Creditors: amounts falling due within one year</b>	9	(188,075)	
		<hr/>	
Net current assets			591,947
<b>Creditors: amounts falling due after more than one year</b>	10		(283,000)
			<hr/>
<b>Net assets</b>			308,947
			<hr/> <hr/>
<b>Income funds</b>			
Restricted funds	11		287,500
Unrestricted funds			21,447
			<hr/>
			308,947
			<hr/> <hr/>

The financial statements were approved by the trustees on 3 August 2023

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 Mr M L Glatman  
 Trustee

# THE ABSTRACT FOUNDATION

## STATEMENT OF CASH FLOWS

**FOR THE PERIOD ENDED 30 MARCH 2023**

	Notes	2023 £	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	14		719,015
<b>Investing activities</b>			
Investment income received		2,027	
<b>Net cash generated from/(used in) investing activities</b>			2,027
<b>Net cash used in financing activities</b>			-
<b>Net increase in cash and cash equivalents</b>			721,042
Cash and cash equivalents at beginning of period			-
<b>Cash and cash equivalents at end of period</b>			721,042

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 MARCH 2023

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#### 1 Accounting policies

##### Charity information

The Abstract Foundation is a charitable incorporated organisation established by a constitution and registered with the Charity Commission. The principal place of business is 10 Rose and Crown Yard, King Street, London, SW1Y 6RE.

##### 1.1 Reporting period

The charity accounts cover the period from 21 October 2021 to 30 March 2023, to cover the period from the inception and registration of the charity.

##### 1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainty about the Foundation's ability to continue. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2023

#### 1 Accounting policies

(Continued)

##### 1.6 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.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

##### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2023

### 2 Charitable activities

	Grant funding 2023 £	Support costs 2023 £	Total 2023 £
Education	500,000	6,675	506,675
Youth Homelessness	500,000	10,514	510,514
	<u>1,000,000</u>	<u>17,189</u>	<u>1,017,189</u>
<b>Analysis by fund</b>			
Unrestricted funds	-	17,189	17,189
Restricted funds	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>17,189</u>	<u>1,017,189</u>

### 3 Grants payable

The charity has made the following material grants to institutions during the year:

Recipient	Activity	2023 £
Netherhall School	Education	500,000
New Horizon Youth Centre	Youth Homelessness	100,000
Rush House Limited	Youth Homelessness	250,000
Safe and Sound Homes	Youth Homelessness	150,000
		<u>1,000,000</u>

The value of grants to individuals was £0.

Further information regarding the grants payable in the year is provided on page 2 of the Trustees' Report.

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2023

### 4 Support costs

	<b>2023</b>
	<b>£</b>
Insurance	938
Consultancy	11,806
Bank charges	245
Governance	4,200
	<hr/>
	17,189
	<hr/>

Governance costs includes payments to the auditors of £3,000 for audit fees and £1,200 for non audit fees.

### 5 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

### 6 Employees

The average monthly number of employees during the period was 0.

### 7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 8 Debtors

	<b>2023</b>
	<b>£</b>
<b>Amounts falling due within one year:</b>	
Interest receivable	1,480
Gift aid receivable	57,500
	<hr/>
	58,980
	<hr/>

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2023

### 9 Creditors: amounts falling due within one year

2023  
£

Grants payable	183,000
Accruals and deferred income	5,075
	<u>188,075</u>

Grants payable includes £100,000 committed to Netherhall School and £83,000 committed to Rush House Limited. The commitments will be funded from donations already received.

### 10 Creditors: amounts falling due after more than one year

2023  
£

Grants payable	<u>283,000</u>
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Grants payable includes £200,000 committed to Netherhall School, payable in annual instalments in 2024 and 2025, and £83,000 committed to Rush House Limited, payable in 2024. The commitments will be funded from donations already received.

### 11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 21 October 2021	Incoming resources	Resources expended	Balance at 30 March 2023
	£	£	£	£
Education	-	500,000	(500,000)	-
Youth Homelessness	-	787,500	(500,000)	287,500
	<u>-</u>	<u>1,287,500</u>	<u>(1,000,000)</u>	<u>287,500</u>

The Youth Homelessness fund comprises donations received in the year which are to be committed to specific youth homelessness projects by the trustees.

# THE ABSTRACT FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2023

### 12 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 March 2023 are represented by:			
Current assets/(liabilities)	21,447	570,500	591,947
Long term liabilities	-	(283,000)	(283,000)
	<u>21,447</u>	<u>287,500</u>	<u>308,947</u>

### 13 Related party transactions

During the period the Foundation received donations of £640,000 from Abstract Securities Limited, a company in which Mark Glatman is a director and a person with significant control and Stephanie Miles is a director. Further information is provided in the Trustees' Report.

### 14 Cash generated from operations

	2023 £
Surplus for the period	308,947
Adjustments for:	
Investment income recognised in statement of financial activities	(2,027)
Movements in working capital:	
(Increase) in debtors	(58,980)
Increase in creditors	471,075
<b>Cash generated from/(absorbed by) operations</b>	<u><u>719,015</u></u>

### 15 Analysis of changes in net funds/(debt)

The charity had no debt during the year.