

Registered Charity Number 1201646

Ferdinando & Luigi Innocenti Foundation

Annual Report and Financial Statements

For the Period Ended 31 December 2023

Financial Statements

Period from 19 January 2023 to 31 December 2023

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Trustees' Annual Report

Period from 19 January 2023 to 31 December 2023

The trustees present their report and the financial statements of Ferdinando & Luigi Innocenti Foundation ("Foundation") for the period ended 31 December 2023.

Reference and administrative details

Registered charity name

Ferdinando & Luigi Innocenti Foundation

Registered charity number

1201646

Trustees

Lorenzo Ferdinando Innocenti	(Appointed 19 January 2023)
Filippo Nosedà	(Appointed 19 January 2023)
Dr Luca Colaïanni	(Appointed 19 January 2023)
Ruth Pryce	(Appointed 27 May 2024)

Chief executive officer

Andrea Cooper

Principal office

The Clock House
6 St. Catherine's Mews
London
SW3 2PX

Bankers

HSBC UK
145 Sloane Street
London
SW1X 9BN

Statutory auditors

Haysmacintyre LLP s
10 Queen Street Place
London
EC4R 1AG

Solicitors

BDB Pitmans
One Bartholomew Close
London
EC1A 7BL

Trustees' Annual Report *(continued)*

Structure, governance and management

The charity was registered as a charitable incorporated organisation (CIO) on 19 January 2023. It was established by way of the Foundation Model Constitution and was founded by Lorenzo Ferdinando Innocenti.

The constitution states that there must be at least three trustees, and the maximum is seven. The first trustees are entitled to hold office until they; retire, are absent without permission, become physically or mentally incapable, are disqualified from acting as a trustee, are removed from office by written notice from the Founder or are removed by a resolution at a meeting of the charity trustees (excluding the charity trustee whose proposed removal is the subject of the resolution).

In selecting individuals for appointment as charity trustees, the charity trustees will have regard to the skills, knowledge and experience needed for the effective administration of the CIO. Apart from the first charity trustees, every trustee shall be appointed for a term of three years. Any person retiring as a charity trustee is eligible for reappointment. Other than the Founder, a trustee who has served for three consecutive terms may not be reappointed for a fourth consecutive term, save in exceptional circumstances and with the unanimous approval of the charity trustees.

Future trustees must be appointed by resolution of the trustees.

The CIO will give regard to the Charity Commission's advice on the training and recruitment of new trustees.

A quorum at a meeting of the trustees is two trustees.

No decision of the charity trustees shall bind the CIO unless the Founder has formed part of the voting majority, for as long as he remains a trustee for the CIO, save where the Founder is subject to a conflict of interest in relation to the relevant decision.

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

The law firm BDB Pitmans supported the Foundation to set up all key policies in compliance with best practice.

An Agreement for Supply of Services with Ratio Ventures Limited was adopted 16 February 2023.

The day to day management of the charity is carried out by staff employed by Ratio Ventures Limited, who are seconded to the Foundation.

All staff are interviewed and an assessment is carried out of their skills, qualifications and experience against their job description and capability. Comparative salaries are sought and benchmarked against suitable pay scales.

Objectives

The objectives of the Foundation are to advance such charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time.

The Foundation is a grant-making charitable foundation. Grants will be made for such charitable purposes as the Foundation sees fit, in accordance with its policy and strategy.

Achievements and activities during the financial year and future plans

The Foundation's Deputy Director was appointed in January 2023, and following an extensive search and thorough recruitment process the Chief Executive Officer joined in June 2023.

Trustees' Annual Report *(continued)*

The initial years of the Foundation present an opportunity to:

- Develop an inspiring **LEGACY** for Ferdinando and Luigi Innocenti
- Invest funds to achieve **IMPACT**
- **BUILD** partnerships across the sector to maximise impact, build on others' expertise, and reduce duplication and overlaps
- Experiment, **LEARN**, and develop the model
- Develop a track record in the UK to further develop for launch in **ITALY** and beyond

Across June – December 2023, the Foundation team undertook an extensive exercise to:

- understand the issues facing children and young people across the UK
- understand the landscape of charitable foundations supporting young people across the UK
- build relationships with key stakeholders across the sector.

By the end of 2023, the Foundation had commissioned Trust Impact to support the development of a Theory of Change framework to guide the Foundation's priorities over the initial three to five year period. The Foundation aims to start allocating funds to projects across 2024.

Financial review

The main source of annual income for the charity is donations by Ratio Ventures Limited and this will continue into the following year.

Reserves policy

Restricted reserves are held for the purpose of grant making activities.

The unrestricted reserves figure is negative at the year end. It represents running costs incurred by the Foundation, but not due for payment at the year end. This shortfall is to be covered by Ratio Ventures Limited in the subsequent year, when payment falls due.

At 31 December 2023, the Foundation had total funds of £822,053, which was made up of an unrestricted fund liability of (£7,947) and restricted funds of £830,000.

Risk assessment

The trustees have carried out an overall risk assessment to identify the risks associated with the operations of the Foundation and, where appropriate, have introduced controls and safeguards to minimise the effect of these risks.

Funding

The trustees are satisfied that the Foundations assets are available and adequate to fulfil its obligations.

Trustees' Annual Report *(continued)*

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 UK 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 business.

The trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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 trustees' annual report was approved on the 4th October 2024 and signed on behalf of the board of trustees by:



Lorenzo Ferdinando Innocenti
Chair Trustee & Founder

Independent Auditor's Report to the Trustees of Ferdinando & Luigi Innocenti Foundation

Opinion

We have audited the financial statements of Ferdinando & Luigi Innocenti Foundation for the period ended 31 December 2023 which comprise Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We 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. 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP.

Haysmacintyre LLP
Statutory Auditors
Date: 7 October 2024

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities**Period from 19 January 2023 to 31 December 2023**

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Income from:				
Donations and legacies	4,5	154,665	830,000	984,665
Investments		420	-	420
Total income		<u>155,085</u>	<u>830,000</u>	<u>985,085</u>
Expenditure on:				
Charitable activities	6,7	163,032	-	163,032
Other		-	-	-
Total expenditure		<u>163,032</u>	<u>-</u>	<u>163,032</u>
Net (expenditure)/ income and net movement in funds		<u>(7,947)</u>	<u>830,000</u>	<u>822,053</u>
Reconciliation of funds:				
Total funds brought forward		-	-	-
Total funds carried forward		<u>(7,947)</u>	<u>830,000</u>	<u>822,053</u>

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

The notes on pages 11 to 17 form part of these financial statements.

Balance Sheet as at 31 December 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Current assets				
Debtors	14	638	-	638
Investments	11	420	820,000	820,420
Cash at bank and in hand	13	-	10,000	10,000
Total current assets		1,058	830,000	831,058
Creditors				
Amounts falling due within one year	12	(9,005)	-	(9,005)
Net current (liabilities)/ assets		(7,947)	830,000	822,053
Total assets less current liabilities		(7,947)	830,000	822,053
Total net (liabilities)/ assets		(7,947)	830,000	822,053
Funds of the Charity				
Restricted income funds				830,000
Unrestricted funds				(7,947)
Total funds				822,053

The financial statements were approved by the trustees, and authorised for issue on 4th October 2024 and signed on their behalf by:



.....
Lorenzo Ferdinando Innocenti
Chair Trustee & Founder

The notes on pages 11 to 17 form part of these financial statements.

Statement of Cash Flows

Period from 19 January 2023 to 31 December 2023

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	<u>830,000</u>
Net cash provided by operating activities		<u>830,000</u>
Cash flows from investing activities		
Interest received		<u>420</u>
Net cash provided by investing activities		<u>420</u>
Change in cash and cash equivalents in the reporting period		830,420
Cash and cash equivalents at the beginning of the reporting period		-
Cash and cash equivalents at the end of the reporting period		<u>830,420</u>

The notes on pages 11 to 17 form part of these financial statements.

Notes to the Financial Statements

Period from 19 January 2023 to 31 December 2023

1. General information

The Ferdinando & Luigi Innocenti Foundation is a public benefit entity that is constituted as a registered charitable incorporated organisation (CIO) in England and Wales. The address of the principal office is The Clock House, 6 St. Catherine's Mews, London, SW3 2PX. The CIO was registered with The Charity Commission on the 19th January 2023. Its first accounting period is the date from registration to the 31st December 2023.

2. Statement of Compliance

The charity is a public benefit entity as defined by FRS102. These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in pounds sterling, which is the functional currency of the charity and are rounded to the nearest £1.

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. Thus the trustees have adopted the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Donated services and facilities

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

Income from interest

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

All expenditure inclusive of irrecoverable VAT.

Expenditure is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment.

Taxation

The charity is exempt from corporation tax on its charitable activities.

4. Analysis of income

	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
Donations and legacies			
Donations and gifts	-	830,000	830,000
Donated goods, facilities and services	154,665	-	154,665
Total	154,665	830,000	984,665
Income from investments			
Interest income	420	-	420
Total	420	-	420
Total Income	155,085	830,000	985,085

5. Donated goods, facilities and services

	2023
	£
Accountancy services	1,200
Seconded staff costs	97,293
Supplier invoices settled	31,100
Use of computer equipment	500
Use of property	24,572
Total	154,665

All donations were from Ratio Ventures Limited. During the period, Ratio Ventures Limited settled supplier invoices on the Foundation's behalf totalling £31,100, paid seconded staff costs of £97,293 and provided donations in-kind of accounting services, use of computer equipment and office space amounting to £26,272. These are measured at their fair value.

6. Expenditure on charitable activities by fund type

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Expenditure on charitable activities			
Accountancy & audit	8,400	-	8,400
Bank charges	5	-	5
Computer costs	946	-	946
Conferences	2,407	-	2,407
Consultancy & professional Fees	11,615	-	11,615
Legal Fees	5,037	-	5,037
Membership fees & subscriptions	36	-	36
Recruitment fees	7,680	-	7,680
Rent	24,572	-	24,572
Staff costs	96,655	-	96,655
Travel & accommodation	5,679	-	5,679
Total expenditure on charitable activities	163,032	-	163,032

7. Expenditure on charitable activities by activity type

Activity or programme	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total £
Set-up phase	-	-	163,032	163,032
Total	-	-	163,032	163,032

8. Analysis of Support costs

	2023 £
Accountancy & audit	8,400
Bank charges	5
Computer costs	946
Conferences	2,407
Consultancy & professional Fees	11,615
Legal Fees	5,037
Membership fees & subscriptions	36
Recruitment fees	7,680
Rent	24,572
Staff costs	96,655
Travel & accommodation	5,679
Total	163,032

9. Auditors remuneration

	2023
	£
Fees payable for the audit of the financial statements	<u>7,200</u>

10. Staff costs

The Foundation does not employ any staff. Staff are seconded from Ratio Ventures Limited, which is a related party.

No seconded employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000

During the period, payments made from Ratio Ventures Limited to seconded key management personnel totalled £47,882.

11. Analysis of current asset investments

	2023
	£
Cash or cash equivalents	<u>820,420</u>

12. Creditors: amounts falling due within one year

	2023
	£
Accrued expenses	<u>9,005</u>

13. Cash at bank and in hand

	2023
	£
Cash at bank and on hand	<u>10,000</u>

14. Debtors and prepayments

	2023
	£
Prepayments and accrued income	<u>638</u>

15. Analysis of charitable funds – movement in funds

	At 19 January 2023	Income	Expenditure	At 31 December 2023
	£	£	£	£
Unrestricted funds	-	155,085	163,032	(7,947)
Restricted funds	-	830,000	-	830,000
Total Funds	<u>-</u>	<u>985,085</u>	<u>163,032</u>	<u>822,053</u>

Restricted funds are held for the purpose of grant making activities.

16. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
Current assets	1,058	830,000	831,058
Creditors due within one year	(9,005)	-	(9,005)
Net Assets	<u>(7,947)</u>	<u>830,000</u>	<u>822,053</u>

17. Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023
	£
Within one year	<u>-</u>

A Licence to Occupy is in place between Ratio Ventures Limited and the Foundation. Office space is provided by Ratio Ventures Limited as a donation in-kind.

18. Transactions with trustees and related parties.

Trustees' remuneration and benefits

None of the trustees were paid any remuneration or received any other benefits from an employment with the charity or a related entity in the period ended 31st December 2023.

Trustees' expenses

Type of expenses reimbursed	2023
	£
Travel	734
Accommodation	876
Total	<u>1,610</u>

Two of the trustees had travel and accommodation expenses met by the charity.

Transactions with related parties

All of the donations into the Foundation are from Ratio Ventures Limited. This company is under the control of Lorenzo Ferdinando Innocenti who is also one of the company's directors, and who is Chair Trustee & Founder of this Foundation.

Leonardo Colaianne who is the son of trustee Luca Colaianne had hotel and travel expenses of £486 paid by the charity in his capacity of young advisor to the Board of Trustees.