

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED
(Formerly The Butters Foundation (UK) Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

Company Number 08966741

Charity Number 1157301

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Trustees	Alfred Cavallaro Belma Gaudio Julius Gaudio
Company Number	08966741
Charity Number	1157301
Registered Office	Withers LLP Third Floor 20 Old Bailey London EC4M 7AN
Auditors	PKF Littlejohn LLP Statutory Auditors 15 Westferry Circus Canary Wharf London E14 4HD

The Directors, being the Trustees under charity law, present their report and audited financial statements for the year to 31 December 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the Charity.

Reference and Administrative Information

The Gaudio Family Foundation (UK) Limited (formerly The Butters Foundation (UK) Limited) (the Foundation or the Charity) is a company limited by share capital registered as company number 08966741. The Charity is also registered with the Charity Commission under charity number 1157301. The Trustees and principal address of the Charity are listed, along with particulars of its professional advisors, on page 2.

Structure, Governance and Management

The Charity does not employ any staff, all decisions being made by the Trustees. A comprehensive briefing pack including all relevant corporate documents (related to formation and compliance) and financial statements is provided to all newly appointed Trustees.

Governing Instruments

The Charity is governed by its Memorandum and Articles of Association, dated 28 March 2014.

Objects, Aims, Objectives and Activities**Charitable Objects**

The Charity operates as a grant making foundation. The charitable objects of the Charity are exclusively charitable purposes for the public benefit. In the furtherance of its general charitable purposes, the Directors, as Trustees of the Charity, have complied with the duty in s.17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the interpretation of the Public Benefit requirement under that Act.

Aims and Intended Impact

Within these objects, the Foundation aims to provide grants aimed at:

- Relieving poverty, especially in urban areas;
- Advancing and improving education, particularly for disadvantaged children in impoverished areas; and
- Various other charitable endeavours at the discretion of the Trustees.

Financial review

During the year, the Charity made a surplus of income over expenditure, before foreign exchange gains and losses and investment gains and losses, of £4,984,625 (2018 - £4,116,847) all of which is unrestricted. Grants made in the year, totalling £3,059,905 (2018 - £2,407,517), have been in line with the established Grant Making Policy. There have been no significant issues or problems in the year or after the year end, despite the impact of Covid-19, to the date of signing of this report.

The Trustees have regard to the main risks to the Charity, which include misapplication of grants by beneficiaries, grantee insolvency or mismanagement, and failure of a funded project to provide sufficient public benefit. These are addressed through regularly obtaining reports from grant recipients and evidence of projects funding being implemented successfully; appropriate due diligence is undertaken in respect of proposed grantees to ensure funded projects are exclusively charitable; and, multi-year grant commitments are generally not made, thereby limiting the risk to the Charity.

Financial review (continued)

The Charity invests the funds not immediately required for its charitable grant-making in accordance with its adopted Investment Policy Statement which is reviewed regularly by the Trustees. The Charity's investments are made with the intention of providing a reasonably stable, growing, and predictable income stream in the form of dividends, interest and realised gains sufficient to allow distribution of grants in furtherance of the Charity's purposes, settle all administrative costs, and to protect the Charity's investment capital for the long-term. In the period, assets were held in a diversified portfolio, including a mixture of fixed income and equity investments, with some assets managed on the Charity's behalf by Coutts & Co. The performance of the investment manager is subject to regular monitoring and review by the Trustees.

The Charity has significant unrestricted funds, minimal financial risk, and only modest overheads. Because all anticipated costs and expenditures are amply provided for, the Trustees have not formally adopted a prescriptive reserves policy.

Plans for Future Periods

Having received a significant donation of £7,020,457 (2018 - £5,988,177) from a Trustee in the year, the Foundation will consider a range of worthy new projects to fund, consistent with its mission and Grant Making Policy, including, without limitation, making grants to museums for charitable purposes and grants to relieve poverty and advance education. In the coming financial periods, the Trustees intend to increase the level of grant making, as well as aiding entities particularly hard hit by Covid-19.

Directors' Interests

No Director had any beneficial interests in the share of the charitable Company at 31 December 2019 (2018 - none).

Provision of information to Auditors

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditors.

Status of this Trustees' Report

In preparing this report, the Directors have taken advantage of the small companies exemption provided by section 485 of the Companies Act 2006.

By Order of the Board



Alfred Cavallaro

Trustee

31 October 2020

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company and Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with Charities' Statement of Recommended Practice, Accounting and Reporting by Charities (United Kingdom Financial Reporting and Accounting Standards and applicable law). Under Company and Charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus of the Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) has been followed disclosing and explaining any departures therefrom in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the shareholder of The Gaudio Family Foundation (UK) Limited**Opinion**

We have audited the financial statements of The Gaudio Family Foundation (UK) Limited (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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 charitable company'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report for the financial year for which the financial statements are prepared) is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Use of our report

This report is made solely to the charitable company's shareholder, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's shareholder those matters we are required to state to it 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 charitable company and the charitable company's shareholder, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)

For and on behalf of
PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

3 November 2020

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 December 2019

	Note	Year to 31/12/19	Year to 31/12/18
Income and endowments from:			
Donations	1	7,020,457	5,988,177
Gift aid		1,123,209	599,114
Investment income		33,874	-
Total Income		8,177,540	6,587,291
Expenditure on:			
Charitable activities	2	3,192,915	2,470,444
Total Expenditure		3,192,915	2,470,444
Net income for the year		4,984,625	4,116,847
Other gains/(losses)			
Foreign exchange		(397,875)	248,920
Investments		336,262	-
Net movement in funds	3	4,923,012	4,365,767
Balance brought forward at start of year		17,280,695	12,914,928
Balance carried forward at end of year		£22,203,707	£17,280,695

All income and expenditure is unrestricted and derives from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The Accounting Policies and Notes on pages 12 to 16 form part of these Financial Statements.

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED
Company number: 08966741

BALANCE SHEET
As at 31 December 2019

		2019	2018
Fixed Assets			
Investments	4	7,919,151	-
Current Assets			
Debtors			
Unpaid share capital		1	1
Cash at bank and in hand		14,291,556	17,288,263
		<u>14,291,557</u>	<u>17,288,264</u>
Creditors: amounts falling due within one year	5	(7,000)	(7,568)
		<u>14,284,557</u>	<u>17,280,696</u>
Net Current Assets			
		<u>14,284,557</u>	<u>17,280,696</u>
Net Assets		<u>£22,203,708</u>	<u>£17,280,696</u>
Reserves			
Called up share capital	6	1	1
General fund	7	22,203,707	17,280,695
		<u>£22,203,708</u>	<u>£17,280,696</u>

These Financial Statements were approved by the Board of Trustees on 31st October 2020 and signed on its behalf by:


Mr A Cavallaro
Trustee

The Accounting Policies and Notes on pages 12 to 16 form part of these Financial Statements.

THE GAUDIO FAMILY FOUNDATION (UK) LIMITED

STATEMENT OF CASH FLOWS
Year ended 31 December 2019

	Year to 31/12/19	Year to 31/12/18
Net cash flow from operating activities (see below)	4,950,183	4,118,715
Cash from investing activities		
Payments to acquire investments	(8,500,057)	-
Increase in cash held at investment managers	(210,754)	-
Proceeds from sale of investments	1,127,922	-
Dividends and interest from investments	33,874	-
	<hr/>	<hr/>
Net cash flow by investing activities	(7,549,015)	-
	<hr/>	<hr/>
Effect of exchange rate fluctuations on cash held	(397,875)	248,920
Change in cash and cash equivalents in the year	(2,996,707)	4,367,635
Cash and cash equivalents brought forward	17,288,263	12,920,628
	<hr/>	<hr/>
Cash and cash equivalents carried forward	£14,291,556	£17,288,263
	<hr/>	<hr/>
Net income for the year	4,984,625	4,116,847
Dividends and interest from investments	(33,874)	-
Increase/(Decrease) in creditors	(568)	1,868
	<hr/>	<hr/>
Net cash flow from operating activities	£4,950,183	£4,118,715
	<hr/>	<hr/>

The Accounting Policies and Notes on pages 12 to 16 form part of these Financial Statements.

General information and basis of preparation

The Gaudio Family Foundation (UK) Limited is a charitable company limited by shares, incorporated on 31 March 2014 and registered as a charity on 3 June 2014 in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are making of grants.

The financial statements have been prepared 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is recognised as the charity's right to receive payment is established.

Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised as expenditure on charitable activities

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs have been included within charitable activities and consist of the costs of running the charity.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Gains and losses on foreign exchange are shown in the Statement of Financial Activities.

Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

1. Donations

Income in the year was unrestricted and in the form of donations from a trustee (see note 9).

2. Expenditure on charitable activities

	2019	2018
Grants made:		
Gaudio Family Foundation	2,360,003	2,142,857
Smart Works Charity	80,058	39,635
City Harvest Limited	89,385	31,695
West London Zone	57,683	39,619
Place2Be	57,781	39,635
Just for Kids Law	41,635	23,777
St Giles Trust	66,717	63,226
Safe Lives Limited	57,679	-
Camfed International	83,465	-
Mothers2Mothers	79,500	-
Soc Des Amis National	140,645	27,073
Zene de Zene International	15,715	-
Returned grants	(70,361)	-
	<hr/>	<hr/>
	3,059,905	2,407,517
Support costs:		
Professional fees	130,841	61,258
Trustee indemnity insurance	1,882	1,568
Other costs	287	101
	<hr/>	<hr/>
	£3,192,915	£2,470,444
	<hr/>	<hr/>
3. Net movement in funds	2019	2018
Net income is stated after charging:		
Auditors' remuneration – current year	£7,000	£6,000
	<hr/>	<hr/>

4. Investments	2019	2018
Balance brought forward	-	-
Additions	8,500,057	-
Sale proceeds	(1,127,922)	-
Net gains/(losses)	336,262	-
	<hr/>	<hr/>
	7,708,397	-
Cash held at investment managers	210,754	-
	<hr/>	<hr/>
	£7,919,151	£ -
	<hr/>	<hr/>
Investments at fair value include		
Equities	5,304,293	-
Bonds	2,404,104	-
Cash within investment portfolio	210,754	-
	<hr/>	<hr/>
	£7,919,151	£ -
	<hr/>	<hr/>
5. Creditors: amounts falling due within one year	2019	2018
Accruals	£7,000	£8,820
	<hr/>	<hr/>
6. Share Capital		
Authorised		
1 Ordinary share of £1 each		£1
		<hr/>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each		£1
		<hr/>
7. Reconciliation of Movements in Reserves		
Result for the year	4,923,012	4,365,767
Opening shareholder's funds	17,280,695	12,914,928
	<hr/>	<hr/>
Closing shareholder's funds	£22,203,707	£17,280,695
	<hr/>	<hr/>
8. Ultimate Parent Undertaking		

The parent undertaking at the year-end is The Gaudio Family Foundation, a US based charitable Foundation.

9. Related party transactions

During the year a Trustee donated £7,020,457 (2018 - £5,988,177). No conditions were attached to the donation. Two grants were made – one in the amount of £800,003 (\$977,325.60) and the other in the amount of £1,560,000 (\$2,014,382.76) during the year to the parent undertaking, The Gaudio Family Foundation. In 2018 one grant was made in the amount of £2,142,857 (\$3,000,000).