

Charity Registration No: 1178132

The CrEdo Foundation

Trustees' Report and Financial Statements
For the Year ended 31 December 2020

The CrEdo Foundation

Charity Registration No: 1178132

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The CrEdo Foundation

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Trust Information

Trustees	Ms. Cristina Cardellini Mr. Edoardo Mercadante Mr. Rahul Moodgal
Charity Number	1178132
Registered Office	7 Clifford Street London W1S 2FT
Banker	HSBC Private Bank (UK) Limited 8 Cork Street London W1S 3LJ
Independent Examiner	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

The CrEdo Foundation

Charity Registration No: 1178132

Trustees' Report

The Trustees present their report and unaudited financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 and comply with the current statutory requirements, the Charities Act 2011, the Trust Deed, 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).

Status

The CrEdo Foundation (the "Foundation") was established on 17 November 2017 and registered as a charity on 26 April 2018, for exclusively charitable purposes pursuant to its Trust Deed dated 17 November 2017 (as amended by supplemental deeds dated 18 April 2018 and 8 June 2018). The Trust Deed defines the objects and powers of the Foundation.

Foundation Objectives and Mission

The Foundation's objectives, as stated in the Trust Deed, are to further for the public benefit worldwide, such purposes that are exclusively charitable under the law of England and Wales as the Trustees from time to time see fit.

In setting the Foundation's objectives and planning its activities, the Trustees have considered Section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission ('Public Benefit: running a charity (PB2)'). The Foundation's activities and achievements are outlined throughout this Trustees' Report and the Trustees believe they fully demonstrate that the Foundation is providing public benefit.

The main objective of the Foundation, as agreed by the Trustees, is to apply the Foundation's resources for the public benefit for exclusively charitable objects and purposes in any part of the world.

Organisation

The Trustees meet to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, a review of the reserves policy as well as the overall risk profile of the Foundation.

Fundraising

The Foundation does not seek to raise funds from the public and has not engaged with any professional fundraiser or commercial participator to raise funds.

Trustees

The Trustees who held office during the year and up to the date of signing the financial statements were:

Ms. Cristina Cardellini
Mr. Edoardo Mercadante
Mr. Rahul Moodgal

The Trustees are selected on the basis of their skills and expertise and the contribution, in particular in the areas of business management and development, which they can make to determine the strategy and policies of the Foundation and to monitor implementation.

The Trustees are responsible for finance, development and planning. There is no formal process for training Trustees, but training is provided to individual Trustees and to the Trustees as a whole as needs arise.

All Trustees give their time freely and no Trustee remuneration was paid in the year.

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Trustees' Report *(continued)*

Reserves Policy

The Trustees are committed to applying the Foundation's resources in a responsible manner for the purposes of yielding maximum benefit.

The Trustees are aware reserves are needed to bridge the gap between the spending and receiving of income. The Trustees aim to maintain free reserves in unrestricted funds at a level that will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

Unrestricted Funds

Unrestricted Funds are expendable at the discretion of the Trustees in furtherance of the objects of the Foundation.

Restricted Funds

Restricted Funds are generated when the donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Foundation. During the year no amounts were donated which had restrictions placed on them.

Operational Reserves

Cash flow projections for income and expenditure are regularly reviewed by the Trustees to ensure that the level of disposable net assets is adequate and that the Foundation is in a position to meet all its grant-making and working capital commitments for the foreseeable future.

The reserves policy is reviewed annually to reassess the risks and reflect any changes to the Foundation's income, capital, financial obligations and long term plans for charitable expenditure.

Investment Policy

Under the Trust Deed, the Foundation has the power to invest in any way the Trustees wish. The Trustees, bearing in mind the liquidity requirements of the Foundation and to the reserves policy, currently operate a strategy of holding available funds in an interest-bearing bank account.

Granting Policy

The Trustees meet regularly to consider what grants they will make and to review any feedback they have received. The Trustees are committed to applying the Foundation's resources in a responsible manner for the purposes of yielding maximum benefit.

Risk Statement

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. They are satisfied that the systems and controls are in place to mitigate and manage exposure to such major risks identified by the Trustees. They continue to review current processes recognising that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Foundation's principal risks can be broadly grouped as follows:

Strategic risk

Strategic risks are those that arise from the decisions taken concerning the Foundation's objectives and ability to meet those objectives.

The Foundation has a clear vision, mission and strategic plan that have been agreed by the Trustees. The Trustees regularly review the progress of the Foundation in relation to its vision, mission and strategic objectives.

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Trustees' Report *(continued)*

Risk Statement *(continued)*

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, or from external events.

The Foundation has appropriate policies and controls in place to manage its operational risk, including system failures, fraud and theft, and failure to comply with legal, regulatory and statutory requirements. The COVID-19 pandemic has created challenges to day to day working. The Foundation and many of its service providers have implemented business continuity procedures, including remote working, to ensure the safety of personnel and to continue to operate with minimal impact.

Credit risk

The Foundation's exposure to credit risk arises mainly through its cash and cash equivalents. The Foundation holds all cash with banks whom the Foundation has strong, well-established relationships and who typically have a minimum Moody's or S&P rating of investment grade. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount in the Balance Sheet.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Foundation expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Foundation has cash reserves and credit facilities available.

Financial Review

Total incoming resources, made up of voluntary donations and gift aid, amounted to £500,000 (2019: £93,834).

The asset base of the Foundation at 31 December 2020 stands at £276,688 (2019: £60,584) and is predominately made up of cash at bank which will enable the Foundation to meet its ongoing objects.

Achievement and Performance

During the year ended 31 December 2020, the Foundation made two grants, totalling £115,000, to The Centre of Social Justice ("CSJ"). CSJ specialises in researching the root causes of poverty and aims to address them through practical policy interventions. CSJ is an English registered company with company number 05137036. The Trustees have taken legal advice from Maurice Turnor Gardner LLP who have advised that grants can be made to CSJ even though CSJ is not a charity. CSJ has agreed to be bound by the Foundation's anti-bribery and corruption policy and its safeguarding policy.

The purpose of the grant of £55,000 is to fund CSJ's 'Keeping Children out of Care Commission' project. The aim is to research and to produce, and then promote until implementation, policies and procedures that will:

- 1) ensure that the most vulnerable and disadvantaged are at the very forefront of the Government's mind and plans, both now and as the country recovers from the COVID-19 pandemic. Children in, and on the edge of care will be struggling more now than they were before. The project will not only safeguard and protect them, but ensure they are able to realise their full potential.
- 2) change the present model of delivering support to children. CSJ propose a new approach, based on relationships. Neuroscience confirms this, highlighting the significant impact relationships have on brain development and subsequent behaviour, physical and mental health. Even only one, continuous and positive relationship with a trusted grown-up can prove a lifeline to a child who has experienced adversity.

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Trustees' Report *(continued)*

Achievement and Performance *(continued)*

The purpose of the grant of £60,000 is to fund the Addiction Unit of CSJ whose aim is to research and to produce, and then promote until implementation, social policy that will:

- 1) develop and execute effective prevention strategies to substantially mitigate the prospects of people in the UK developing addictive disorders; and
- 2) ensure that every person suffering with an addiction in the UK has access to adequate treatment services and the necessary ongoing support required to enter and remain in long-term, abstinence-based recovery.

During the year ended 31 December 2020, the Foundation made a £100,000 grant to Action on Addiction ("AoA"). AoA is a charitable company registered in England and Wales with charity number 1117988. AoA is the only UK addictions charity that works across all the areas of treatment, research, family support and professional education.

During the year ended 31 December 2020, the Foundation made a £36,050 grant to Recovery Connections. Recovery Connections is a charitable company registered in England and Wales with charity number 1147748. Recovery Connections is a peer-led, substance use recovery organisation based in Middlesbrough.

The purpose of the grant is to fund associated costs in relation to the Recovery Connections Campus Recovery Project. The project offers support to any young person in education dealing with an addiction or in recovery.

Future Plans

The Foundation is anticipating a continued increase in donations in the next financial year. Trustees will finalise the Foundation's strategy and processes in the next financial year. The implementation of the new strategy will see the grant spend rise in the next financial year and beyond in order to meet the main objectives of the Foundation and to ensure that the application of any income for the public benefit is exclusively for charitable objects and purposes.

On behalf of the Board

A handwritten signature in blue ink that reads "Cristina Cardellini". The signature is written in a cursive style and is positioned above a horizontal line.

Cristina Cardellini

Trustee

Date: 8 September 2021

The CrEdo Foundation

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Statement of Trustees' Responsibilities

Trustees' responsibilities in relation to the financial statements

The Trustees of The CrEdo Foundation (the "Foundation") 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. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under the 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 the affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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 Accounting and Reporting by Charities: Statement of Recommended Practice (1 January 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the relevant law. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees

A handwritten signature in blue ink, reading "Cristina Cardellini", is written over a horizontal dotted line. Below the dotted line is a solid blue horizontal line.

Cristina Cardellini

Trustee

Date: 8 September 2021

The CrEdo Foundation

Charity Registration No: 1178132

Independent examiner's report to the Trustees of The CrEdo Foundation

I report to the Trustees on my examination of the accounts of The CrEdo Foundation ("the Foundation") for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity Trustees of the Foundation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect.

I report in respect of my examination of the Foundation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

1. accounting records were not kept in respect of the Foundation as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Neil Finlayson FCA DChA, Partner
On behalf of Moore Kingston Smith LLP
Chartered Accountants

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 9 September 2021

The CrEdo Foundation

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Statement of Financial Activities for the Year ended 31 December 2020

	Year Ended 31 December 2020	Year Ended 31 December 2019
Note	£	£
Income		
Donations and legacies	500,000	93,834
Total income	<u>500,000</u>	<u>93,834</u>
Expenditure		
Expenditure on charitable activities	4 (283,896)	(86,929)
Total expenditure	<u>(283,896)</u>	<u>(86,929)</u>
Net income	7 <u>216,104</u>	<u>6,905</u>
Net income and net movement in funds	7 <u>216,104</u>	<u>6,905</u>
Reconciliation of funds		
Total funds brought forward	60,584	53,679
Total funds carried forward	<u>276,688</u>	<u>60,584</u>

The incoming resources, outgoing resources and unexpended resources are unrestricted in nature.

The Statement of Financial Activities has been prepared on the basis that all activities are continuing.

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

The accounting policies and the notes on pages 13 to 18 form part of the Financial Statements.

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Balance Sheet as at 31 December 2020

	31 December 2020	31 December 2019
Note	£	£
Debtors	8 101,618	18,750
Cash at bank and in hand	<u>179,795</u>	<u>45,334</u>
Total current assets	281,413	64,084
Liabilities		
Creditors: amounts falling due within one year	9 <u>(4,725)</u>	<u>(3,500)</u>
Net current assets	276,688	60,584
Total net assets	276,688	60,584
The funds of the Foundation:		
Unrestricted Funds	10 <u>276,688</u>	<u>60,584</u>
Total Foundation funds	276,688	60,584

The accounting policies and the notes on pages 13 to 18 form part of the Financial Statements.

The Financial Statements were approved by the Trustees and authorised for issue on 8 September 2021 and signed on their behalf by:



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Cristina Cardellini
Trustee

The CrEdo Foundation

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Statement of Cash Flows for the Year ended 31 December 2020

	Year Ended 31 December 2020	Year Ended 31 December 2019
Note	£	£
Net cash generated by operating activities	11 <u>134,461</u>	<u>10,572</u>
Net increase in cash and cash equivalents	134,461	10,572
Cash and cash equivalents at the beginning of the year	45,334	34,762
Cash and cash equivalents at the end of the year	<u>179,795</u>	<u>45,334</u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	<u>179,795</u>	<u>45,334</u>

The Foundation has no net debt and accordingly no net debt note is presented.

The accounting policies and the notes on pages 13 to 18 form part of the Financial Statements.

The CrEdo Foundation

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Notes to the Financial Statements

1 General information

The CrEdo Foundation (the "Foundation") is a charity registered in England and Wales. The address of its registered office is 7 Clifford Street, London, W1S 2FT.

2 Statement of compliance

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") (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Foundation meets the definition of a public benefit entity under FRS 102. The assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

3 Accounting policies

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

(a) Going concern

The Trustees are responsible for the management of the Foundation's activities and risks. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the financial statements are prepared on the going concern basis.

(b) Income

Income is included in the respective line items of the Statement of Financial Activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable certainty and receipt is probable. Income comprises donations, recognised when received and banked, and Gift Aid, recognised when there is a valid declaration from the donor.

(c) Gifts in kind and donated services

Gifts in kind and donated services are valued and included, where material, in the financial statements. The contribution of volunteers has been excluded from the Statement of Financial Activities as the value of their contribution to the Foundation cannot be reasonably quantified in financial terms. Due to the immaterial nature of donated services and the difficulty in quantifying the financial impact of same in the current year, there were no amounts included in respect of same.

(d) Expenditure

Expenditure is accounted for on an accruals basis. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient.

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

(e) Support and governance costs

Support costs are those costs which do not relate directly to a single activity. Governance costs are those costs incurred in the compliance with constitutional and statutory requirements including related professional fees, and are accounted for on an accruals basis. These costs are included under the heading charitable activities in the Statement of Financial Activities.

Notes to the Financial Statements *(continued)*

3 Accounting Policies *(continued)*

(e) Support and governance costs *(continued)*

Support and governance costs have been apportioned between charitable activities on an expenditure basis, whereby the costs are allocated proportionate to the nature of the grant funded activity.

(f) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(g) Funds

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted Funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted Funds arise when the funds are specified as such by the donor(s) or when funds are raised for particular restricted purposes.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

(i) Financial instruments

The Foundation has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

(i) Financial assets and investments

Basic financial assets, including receivables, and cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

Other financial assets, including investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements *(continued)*

3 Accounting Policies *(continued)*

(j) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant.

4 Charitable activities

	Grant funded activity £	Support & governance £	Total £
Year Ended 31 December 2020			
Worldwide public benefit	251,050	32,846	283,896
	<u>251,050</u>	<u>32,846</u>	<u>283,896</u>

The recipients of the charitable grants in the year ended 31 December 2020 were The Centre for Social Justice (£115,000), Actions on Addiction (£100,000) and Recovery Connections (£36,050).

	Grant funded activity £	Support & governance £	Total £
Year Ended 31 December 2019			
Worldwide public benefit	52,000	34,929	86,929
	<u>52,000</u>	<u>34,929</u>	<u>86,929</u>

The recipient of the charitable grant in the year ended 31 December 2019 was The Centre for Social Justice. The Foundation also funded two bespoke training sessions on Adverse Childhood Experiences at The Centre for Social Justice to the value of £2,000.

Analysis of support and governance costs:

	General support £	Governance function £	Total £
Year Ended 31 December 2020			
Legal and professional fees	-	29,453	29,453
Other operating expenses	3,393	-	3,393
	<u>3,393</u>	<u>29,453</u>	<u>32,846</u>

	General support £	Governance function £	Total £
Year Ended 31 December 2019			
Legal and professional fees	-	31,595	31,595
Other operating expenses	3,334	-	3,334
	<u>3,334</u>	<u>31,595</u>	<u>34,929</u>

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Notes to the Financial Statements (continued)

5 Staff costs

The Foundation did not employ any persons during the year ended 31 December 2020 (2019: nil).

The Foundation considers its key management personnel to comprise of the Trustees. The Trustees were not paid, nor received any other benefits, from the Foundation during the year. The Trustees were not reimbursed expenses during the year. No Trustee received payment for professional or other services supplied to the Foundation.

6 Taxation

The Foundation 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.

7 Net income

	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Net income is stated after charging: Fees payable to the independent examiner for the review of the financial statements	<u>2,500</u>	<u>2,500</u>

8 Debtors

	31 December 2020 £	31 December 2019 £
Gift Aid receivable	100,000	18,750
Prepayments	1,618	-
	<u>101,618</u>	<u>18,750</u>

9 Creditors

	31 December 2020 £	31 December 2019 £
Trade payables	1,725	-
Accruals	3,000	3,500
	<u>4,725</u>	<u>3,500</u>

10 Movement in funds

	1 January 2020 £	Income £	Expenditure £	31 December 2020 £
Year Ended 31 December 2020				
Unrestricted	60,584	500,000	(283,896)	276,688
	<u>60,584</u>	<u>500,000</u>	<u>(283,896)</u>	<u>276,688</u>

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Notes to the Financial Statements (continued)

10 Movement in funds (continued)

	1 January 2019 £	Income £	Expenditure £	31 December 2019 £
Year Ended 31 December 2019				
Unrestricted	53,679	93,834	(86,929)	60,584
	<u>53,679</u>	<u>93,834</u>	<u>(86,929)</u>	<u>60,584</u>

11 Notes to the Statement of Cash Flows

	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Net income for the financial year	216,104	6,905
Adjustments for:		
(Increase) / decrease in debtors	(82,868)	2,917
Increase in creditors	1,225	750
	<u>134,461</u>	<u>10,572</u>

12 Financial risk management

The Foundation's financial activities may expose it to a variety of financial risks, broadly grouped as market risk, credit risk and liquidity risk.

Market risk

The Foundation's exposure to market risk is limited to currency exchange risk. The currency exchange risk arises from the its cash and cash equivalents held in currencies other than the functional currency of the Foundation. The Foundation does not actively seek to hedge its exposure to foreign exchange risk.

Credit risk

The Foundation's exposure to credit risk arises mainly through its cash and cash equivalents. The Foundation will hold all cash with banks whom the Foundation has strong, well-established relationships and who typically have a minimum Moody's or S&P rating of investment grade. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount in the Balance Sheet.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Foundation expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Foundation has cash reserves and credit facilities available.

13 Contingent liabilities and financial commitments

The Foundation had no contingent liabilities or financial commitments noted at 31 December 2020 (2019: nil).

14 Related party transactions

During the year, the Foundation received donations without conditions from the Trustees of £400,000 (2019: £75,000).

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Notes to the Financial Statements *(continued)*

15 Controlling party

The controlling party are the Trustees acting in the General Meeting.

16 Subsequent events

There have been no significant events which require further disclosure since the financial year end and the date these financial statements were authorised for issue.