

The Samworth Foundation

Trustees' report and financial statements

Registered number 265647

5 April 2019

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Trustees' report

Reference and administrative information

Trustees	Susannah Culloty	(Retired 4 September 2018)
	Professor Neil Gorman	(Chair from 7 February 2019) (Reappointed 9 March 2019)
	Stephen Hale OBE	(Reappointed 9 March 2019) (Retired 29 May 2019)
	Gemma Juma	(Retired 29 May 2019)
	Alison Clare Price	(Chair to 7 February 2019) (Retired 7 February 2019)
	Mark Samworth	(Appointed 28 February 2019)
	Victoria Stott	(Appointed 28 February 2019)

Foundation registered number	265647
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Principal office	Chetwode House 1 Samworth Way Melton Mowbray Leicestershire LE13 1GA
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Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
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Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
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	Shawbrook Bank Limited Lutea House Warley Hill Business Park The Drive Great Warley Brentwood Essex CM13 3BE
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Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
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Trustees' report (continued)

The Trustees present their report along with the audited financial statements of The Samworth Foundation ("the Foundation") for the year ended 5 April 2019.

The Trustees confirm that the Trustees' report and financial statements of the Foundation comply with the current statutory requirements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The accounts (financial statements) have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, governance and management

a. Constitution

The Samworth Foundation is an unincorporated charity established under a Deed of Settlement by David Chetwode Samworth dated 26 January 1973.

The Trustees of the Foundation are listed below:

Susannah Culloty	(Retired 4 September 2018)
Professor Neil Gorman	(Chair from 7 February 2019) (Reappointed 9 March 2019)
Stephen Hale OBE	(Reappointed 9 March 2019) (Retired 29 May 2019)
Gemma Juma	(Retired 29 May 2019)
Alison Clare Price	(Chair to 7 February 2019) (Retired 7 February 2019)
Mark Samworth	(Appointed 28 February 2019)
Victoria Stott	(Appointed 28 February 2019)

b. Method of appointment or election of Trustees

As from 24 February 2014, the Settlor has renounced his power to appoint new Trustees. By virtue of a resolution dated 25 February 2014, the power to appoint Trustees now rests with the Trustees, subject to written confirmation of members of the Samworth Family.

Trustees are also now subject to retirement every three years (or every year if aged 70 years or over), but are able to be re-elected.

c. Policies adopted for the induction and training of Trustees

The Trustees are mindful of their duties in connection with the induction and training for Trustees and appropriate steps have been taken. Terms of Reference for Trustees, alongside a proactive induction process, have been developed and implemented from 2018.

d. Organisation structure and decision making

The Board of Trustees has reverted to meeting three times each year. The Trustees set strategy and policy for grant making and financial matters, and approve new grants.

The Trustees have the same full and unrestricted powers of investing and transferring investments as if they are beneficially entitled to the Trust Fund. The day to day management of the Foundation's affairs is delegated by the Trustees to Felicity Mallam, Executive Director of the Foundation, a small team of staff comprising an Assistant to the Director and a Grants, Research and Policy Manager, and consultants. They are responsible for ensuring that the Trustees' decisions are implemented in accordance with existing policy and within budget, for briefing the Trustees on current trends in the charitable sector and for advising on how these may affect policy.

Trustees' report (continued)

Structure, governance and management (continued)

e. Risk management

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The commercial database (Benefactor) mitigates misuse of information and is hosted to reduce technology risk.

f. Conflicts of interest

Trustees and staff are expected to conduct the business of the Foundation with integrity at all times. A Conflicts of Interest Policy ensures that there is no personal gain from the Foundation's work. All Trustees and staff complete an annual register of interests form. At each Trustee meeting, Trustees must declare any conflicts of interest with the Trustees' agenda and may be asked to withdraw from the room during the relevant decision making process. Any relevant gift or hospitality received by Trustees and staff is also recorded on the Register of Interests. Grants made to any organisation with whom a Trustee of the Foundation has a conflict are disclosed in the related party transactions note, forming part of the financial statements.

g. Key management personnel remuneration

No Trustees, or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from the Foundation (2018: £nil).

Principal risks and uncertainties

The Trustees are responsible for the management of the risks faced by the Foundation. These fall into four areas:

- Governance and management
- Operational
- Grant making
- Finance

The full Board of Trustees reviews all the areas and identifies the major risks, their likelihood of occurrence, the significance of the risk and any mitigating controls that are in place and recommends any additional actions and resources required to reduce and manage those risks. These are documented in a Risk Register, which is considered by the Trustees annually.

a. Financial risk management objectives and policies

The Foundation uses financial instruments comprising cash and investments. The main purpose of these is to finance the working capital cycle of the Foundation and the longer term income and capital needs.

The Foundation's investment activities represent its main financial risk. This risk is managed by regular reviews of investment policies and objectives at Trustee meetings, monitoring performance relative to objectives and employing external asset managers to achieve a diversified portfolio.

b. Investments

The Foundation's investment aim is to manage its funds so as to balance the Trustees' desire to maintain a high level of grant making consistent with that of operating in the long term. This aim provides the underlying basis for our investment objective. The Trustees have adopted a Total Return approach, which means that both income from the portfolio and the underlying capital can be used to support the Foundation's activities.

The Trustees are committed to ensuring improved investment knowledge, governance and performance review and to ensuring an alignment of investments with the Foundation's mission. Asset managers provide reports on ethical, social and governance indicators across the portfolio as defined by the Trustees. A new Investment Policy Statement was written and agreed, in which the Trustees have articulated their ideal ESG markers covering exclusions, positive investment themes and engagement with investees. Trustees request managers to integrate these areas into the investment management, drawing on managers' stewardship activities and investment expertise. Trustees will review this list at least annually to ensure ongoing alignment with the current grant-making priorities of the Foundation, its citizenship of the Foundation sector, and with the focus of Family donations.

Trustees' report (continued)

Principal risks and uncertainties (continued)

c. Income and expenditure

The Foundation's income derives largely from its investment portfolio. Total investment income increased this year to £836,759 (2018: £698,069). In line with our Total Return approach, we realised £1,280,000 through sales from our portfolio to meet our projected working capital requirements for the near future. The Foundation has three significant streams of expenditure: the grants and donations that we make, the costs of managing the investment portfolio and the running costs of the Foundation. Total expenditure on charitable activities amounted to £2,369,866 (2018: £2,455,217) including grants of £1,357,660 (2018: £1,350,641) and donations of £810,186 (2018: £927,075). The running costs of the Foundation increased again in the last year to £202,020 (2018: £177,501) due to the ongoing transition period of moving from relying on consultant support to employing three part time staff. As a percentage of grants and donations payable, running costs amounted to 9% (2018: 8%).

Trustees are mindful of the need to control running costs in order to maximise the funds available to give as grants and will continue to monitor these closely.

Objectives and activities

a. Policies and objectives for the public benefit

The objective of the Foundation as stated in the Trust Deed are such exclusively charitable purposes as the Trustees may determine and in particular but without prejudice to that general statement:

- To make contributions towards the expenses of any established charitable institution or body and the cost of any projects of study and research established by such institution or body including a contribution towards the cost of purchasing or erecting any building or land to be used in connection therewith.
- To provide funds and to make administrative provisions that the Trustees may deem necessary for the initiation, promotion, sponsoring of new charitable projects of education study and research and for the establishment and endowment or charitable scholarships, fellowships, professional chairs, lectureships, prize awards and institutions.

These policies are refined further by the Trustees to seek to make the greatest impact on those who are most vulnerable and marginalised and also environmental and conservation matters, to seek to maximise the potential of individuals, communities and our environment, to address root causes and bring relief and support where necessary, but with a view to helping to provide long term solutions.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

b. Looking ahead

The current strategy for the Foundation enables a closer focus on two key areas.

These are:

- to address the root causes and effects of sexual exploitation
- to champion environmental recovery by combating climate change and promoting ecological and habitat best practice

The strategy focuses on the Foundation's potential for impact in two given areas. Whilst these have been refined, they remain overarching strategic aims which will be defined further during the next three years. Dialogue across Trustees and the Samworth Family remains live to ensure the Foundation remains located and responds to the Samworth Family Charter in years to come.

Trustees' report (continued)

Objectives and activities (continued)

The Foundation has started to trial strategically focussed, open funding approaches alongside its usual proactive grant making style. This has led to the development and launch of a £1.5m fund called Young Voices, which aims to investigate the impact of including young people in legitimate decision making processes when considering the development and delivery of preventative services for Sexual Exploitation. Six organisations were successfully awarded three year grants as part of the collective working under this fund. Samworth Foundation staff have engaged external support to refine indicators for success across both the participation piece and the impact of each service in its own right.

The overall objective is to ensure that our portfolio reflects our strategic aims. That we are better able to identify impact and change because of our giving. That we can offer more effective grants with the offer of more than just funding through partnerships with other funders and specialist organisations and, importantly, that we offer organisational help to grantees through third parties, thereby removing issues of conflict or unequal power dynamics. The strategy calls for Trustees to become more involved in contributing to the development of the portfolio. Lastly, the strategy proposes to do the above without significantly increasing the capacity required from Foundation staff by granting and working through more networks and partnerships.

Key to the development of the Foundation is the accompaniment of individual Samworth Family members in their philanthropic giving and in the involvement and engagement of the next generation of Family. This will work to build a strong platform from which generations of Samworth Family members can engage and contribute to the Foundation and its work.

Under the current Strategy, the Trustees will continue to consider awarding grants where funds are not easily obtained elsewhere, for example, if there is a gap in the funding market. They remain open to funding in collaboration with other charities where matching funds are needed to deliver a programme of work. Trustees will seek opportunities to fund internationally and in the UK through devolved grant makers.

Core costs may be funded as the Foundation believes in investing in organisational strategy as a whole not just in specific projects and we recognise the growing need for this support in the continuing economic climate.

The Trustees are interested in the likely impact of the funded work in proportion to our investment. They are unlikely to provide a small grant to a large project but are keen to see how any funding awarded is of strategic importance.

c. Grant making strategies

The Foundation is a proactive funder dedicated to supporting a limited number of causes identified and researched by the Trustees across the UK, with a preference for work in the East Midlands, and internationally. Unsolicited applications are rarely considered.

From time to time, Samworth Family members may identify charitable causes for donations. These may sit outside the Foundation's core grant making strategy but will still respond to the Samworth Family Charter. No applications are considered.

The Trustees work to engage and support the strategic development and sustainability of charitable organisations, enabling them to have greater financial security, offer more stable services and ensure they are responding to a changing public need and environment. The Trustees are keen to fund innovative charities to demonstrate the difference they are making. The Trustees work to add value to our grants where we can by funding in collaboration with other funders.

d. Programme related investments

In January of 2019, the Trustees made an investment of £300,000 into Resonance's Social Investment fund – National Homelessness Property Fund. The principle activity of the fund is the purchase, development and letting of residential property in the Oxford, Milton Keynes and Bristol areas with the aim of achieving investment returns and a significant social impact in relation to homelessness in these areas.

Trustees' report (continued)

Achievements and performance: How our grants delivered public benefit

a. Review of activities and financial review

The main activity in the year is grant-making, in accordance with the list of grants made in the financial statements.

Prior to the adoption of the new grant making strategy in February 2018, the Trustees continued to focus efforts in making the greatest impact on the 'social and educational needs of children and young people, in particular those who are most neglected and vulnerable'. The Trustees look to benefit the public through the range of grants and also to support causes which affect the most marginalised in society and the environment, especially where funding is hard to obtain. This continues to be developed.

The general aim is to support projects both in the UK and internationally, with funding split approximately between the two geographical areas. There remains scope for any member of the Samworth Family to nominate a specific charity for a donation. Occasionally, one-off exceptional donations may also be made. However, the Trustees retain full discretion to benefit any charitable causes they think fit.

Grants are awarded where the Trustees can see potential for a lasting, strategic impact either to addressing an issue or to the strategic development of an organisation. In 2018/19, grants were made to support direct work across the UK, Africa and Asia. By linking current grantees with each other and co-funding work with other Foundations and Trusts, the Trustees work to strengthen and consolidate the impact their funding offers.

27 grants of value between £20,000 and £100,000 and 64 donations of value between £50 and £200,000 were made in 2018/19.

Grants continue to be made in the UK and internationally, with a view to providing a grant programme over two or three years. The Trustees believe that building long term relationships with the recipient charities is important, particularly where this can strengthen their strategic aims, organisational capacity and financial sustainability. This must be held in balance with overall charitable work and achievements and as such, any second or third year of grant will be subject to the Trustees' review before any subsequent payment may be made. This also acts as a safeguard to creating a financial dependence on the Foundation grants.

In the past year, we have seen the Foundation's core grant giving grow, particularly in the areas of Child Sexual Exploitation (CSE), Trafficking and Violence against Women and Girls (VAWG) and the Environment.

£ 490,786	CSE, Trafficking and Slavery
£ 174,921	VAWG
£ 65,000	Sexual Exploitation
£ 89,868	Vulnerable Youth
£ 361,499	Environment
£ 150,586	Vocational Education
£ 25,000	Emergencies
£1,357,660	Total core grants made in 2018/19

The Trustees continue to receive detailed reports of these activities and updates are received from the grantees on a regular basis. End of grant evaluations are undertaken by Foundation and grantee staff. This provides an opportunity to reflect on progress, understand any learning, identify other potential key players in the field and ultimately informs the Trustees as to whether a continued funding relationship would be prudent and constructive. Opportunities are created for grantees to meet collectively with Foundation staff where discussion about shared challenges and opportunities in their field can inform future practice, planning and possible funding of joint work, as well as the appetite or otherwise to enter into new grant cycles with previous recipients. The Foundation is keen to offer support to grantees during the life of the grant and as such grants are reviewed to assess the level of maintenance and oversight needed by the Foundation during this period.

The attached financial statements give details of the financial transactions in the year and the financial position of the Foundation at the end of the year.

Trustees' report (continued)

Achievements and performance: How our grants delivered public benefit (continued)

The grants and donations out of unrestricted funds made in the year amounting to £2,167,846 (2018: £2,277,716) have continued to fulfil the Foundation's objectives. The grants and donations out of unrestricted funds are split out as follows:

	Number of grants and donations	Total given £
UK (core grants)	16	737,825
International (core grants)	11	619,835
Family or exceptional donations	64	810,186
Total	91	2,167,846

Each grantee reports against their stated and agreed outcomes and objectives on both a quarterly and annual basis. End of grant evaluations and continuous informal reporting by grantees provides an insight into how well each grantee is achieving their stated plans and aims. Being linked to specific networks and with Foundations and Trusts with similar priorities enables the Trustees to better understand the impact and success of current funded work in a wider context.

The Foundation received donations in the year amounting to £8,935 (2018: £9,781) into the unrestricted general fund.

The resources expended exceeded the incoming resources in the year by £1,524,172 (2018: £1,747,367).

Other unrecognised gains amounted to £3,090,500 (2018: 1,626,291 unrecognised losses) to give an overall increase in funds of £1,566,328 (2018: £3,373,658 decrease).

At 5 April 2019 the Trustees held £65,212,485 (2018: £63,646,157) as unrestricted funds.

b. Investment policy and performance

There was an increase in the value of the investments over the year of £3,090,500 (2018: £1,626,291 decrease).

The Trustees hold cash of £2,500,000 as a 'Liquidity Reserve'. This remains below the limits agreed in the 2018 Investment Strategy. The Trustees agreed this in light of prudent treasury management. This reserve will cover approximately two years of grant giving and core expenditure (at the current levels) should the value of investments fall sharply due to a market correction. This will give the Trustees time to review the grant giving strategy, without requiring them to be forced sellers in a market downturn.

c. Plans for future periods

A review of evaluations and joint meetings with grantees enable Foundation staff to understand how each grantee's work, and their grant from us, is contributing to addressing the challenges in their given field of work. This is incorporated into the Foundation's reviews of funding strategy presented to the Trustees which enables the Foundation to be responsive to funding trends and emergent needs.

Trustees' report (continued)

Other policies

a. Reserves policy

The Trustees continue to retain any unused funds as reserves for future income or capital.

Unrestricted reserves at 5 April 2019 were £65,212,485 (2018: £63,646,157). The Trustees are aware that they are subject to the fluctuations in the market return (both income and capital growth). However, they wish to maintain a level of annual grants to date and are aware that this may require all of the income produced by the investments. To mitigate this risk, the Samworth Family may consider further annual donations to ensure committed levels of grants are maintained. To this end, the reserves policy going forward would be to retain any unused income (unlikely) and unused capital growth to continue to grow the capital fund to meet future needs of the Foundation. As noted above, a Liquidity Reserve is identified to meet grant commitments spanning a two year period.

The Trustees, however, reserve the right to use any investments for future grants should they feel it appropriate. It is acknowledged that the Trustees have suitable powers to hold funds in this manner or to use funds generated from the sale of investments towards grants.

b. Principal funding

The Trustees are satisfied that the Foundation's assets are available and adequate to fulfil its obligations.

Approved by the Trustees on 30 May 2019 and signed on their behalf by:



Professor Neil Gorman
Trustee

Chetwode House
1 Samworth Way
Melton Mowbray
Leicestershire
LE13 1GA

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

Under charity law, the Trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.



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Sovereign Street
Leeds
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Independent auditor's report to the Trustees of The Samworth Foundation

Opinion

We have audited the financial statements of The Samworth Foundation ("the charity") for the year ended 5 April 2019 which comprise the Statement of financial activities, Balance sheet, Cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Independent auditor's report to the Trustees of The Samworth Foundation (continued)

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Trustees' conclusions, we considered the inherent risks to the charity's business model, including the impact of Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the Trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustees of The Samworth Foundation (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) 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 and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Clare Partridge
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

4 June 2019

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

Statement of financial activities
for the year ended 5 April 2019

	<i>Note</i>	2019 £	2018 £
Income and endowments from:			
Donations	2	8,935	9,781
Investments	3	836,759	698,069
Total		845,694	707,850
Expenditure on:			
Charitable activities	4	(2,369,866)	(2,455,217)
Total		(2,369,866)	(2,455,217)
Net gains/(losses) on investments	12	3,090,500	(1,626,291)
Net income/(expenditure)		1,566,328	(3,373,658)
Net movement in funds		1,566,328	(3,373,658)
Reconciliation of funds:			
Total funds at 5 April 2018	17	63,646,157	67,019,815
Total funds at 5 April 2019	17	65,212,485	63,646,157

All activities relate to continuing operations.

The notes on pages 16 to 25 form part of these financial statements.

Balance sheet
as at 5 April 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	11		5,000		5,000
Investments	12		62,300,126		60,489,626
Programme related investments	13		300,000		-
			<hr/>		<hr/>
			62,605,126		60,494,626
Current assets					
Debtors	14	2,696		4,304	
Cash at bank		3,143,795		3,918,166	
			<hr/>	<hr/>	
			3,146,491	3,922,470	
Creditors: amounts falling due within one year	15	(509,132)		(440,939)	
			<hr/>	<hr/>	
Net current assets			2,637,359		3,481,531
			<hr/>		<hr/>
Total assets less current liabilities			65,242,485		63,976,157
Creditors: amounts falling due after more than one year	16		(30,000)		(330,000)
			<hr/>		<hr/>
Net assets			65,212,485		63,646,157
			<hr/>		<hr/>
The funds of the Foundation					
Unrestricted funds	17		65,212,485		63,646,157
			<hr/>		<hr/>
Total Foundation funds	17		65,212,485		63,646,157
			<hr/>		<hr/>

These financial statements were approved by the Trustees on 30 May 2019 and were signed on its behalf by:



Professor Neil Gorman
Trustee



Mark Samworth
Trustee

The notes on pages 16 to 25 form part of these financial statements.

Cash flow statement
for year ended 5 April 2019

	<i>Note</i>	2019 £	2018 £
Cash flows from operating activities			
Net income/(expenditure) for the reporting period		1,566,328	(3,373,658)
Adjustments for:			
(Gains)/losses on investments	12	(3,090,500)	1,626,291
Dividends, interest from investments		(836,759)	(701,735)
Decrease in debtors	14	1,608	5,375
(Decrease)/increase in creditors	15,16	(231,807)	36,402
Net cash from operating activities		(2,591,130)	(2,407,325)
Cash flows from investing activities			
Dividends, interest from investments		836,759	701,735
Sale of investments	12	1,280,000	1,235,000
Net cash from investing activities		2,116,759	1,936,735
Cash flows from financing activities			
Repayments of programme related investments		-	15,000
Investment in programme related investments	13	(300,000)	-
Net cash from financing activities		(300,000)	15,000
Change in cash and cash equivalents in the year		(774,371)	(455,590)
Cash and cash equivalents at the beginning of the year		3,918,166	4,373,756
Cash and cash equivalents at the end of the year		3,143,795	3,918,166

The notes on pages 16 to 25 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation and assessment of going concern

The Foundation is a public benefit entity.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The most significant areas of judgement and key assumptions that affect items in the accounts relate to estimating the liability from multi-year grant and donation commitments (see note 6). With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets (see the Trustees' annual report).

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the statement of financial activities when the Foundation has entitlement to the funds, probable receipt of funds and the amount can be measured with sufficient reliability.

All monetary donations are included in the financial statements when receivable, provided there are no donor-imposed restrictions as to the timing of related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Investment income, including associated tax recoveries, is recognised when receivable.

Notes (continued)

1 Accounting policies (continued)

Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Foundation.

Governance costs are those costs incurred in connection with the administration of the Foundation and compliance with constitutional and statutory requirements.

Grants and donations payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants and donations offered subject to conditions which have not been met at the year end are noted as a contingent liability, but not accrued as expenditure.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment.

No depreciation is provided on freehold land.

Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Programme related investments

Programme related investments are initially recognised and measured at the amount paid. The carrying value amount is adjusted in subsequent years to reflect repayments and any accrued interest, and adjusted if necessary for any diminution in value.

2 Voluntary income

	2019 £	2018 £
Donations	8,935	9,781
	<hr/> 8,935 <hr/>	<hr/> 9,781 <hr/>

Notes (continued)

3 Investment income

	2019 £	2018 £
Income from listed investments	823,572	684,820
Bank deposit interest	13,187	16,915
Exchange rate (losses)	-	(3,666)
	<u>836,759</u>	<u>698,069</u>

4 Expenditure on charitable activities

	2019 £	2018 £
Grants (note 6)	1,357,660	1,350,641
Donations (note 5, 6)	810,186	927,075
Support costs (note 7)	133,373	130,481
Governance costs (note 8)	68,647	47,020
	<u>2,369,866</u>	<u>2,455,217</u>

The comparative figures above have been restated such that they are reported on a comparable basis with the allocation of costs in the current year. Comparative figures reported in the 5 April 2018 audited financial statements were support costs of £147,299 and governance costs of £30,202. Overall expenditure on charitable activities has not changed.

5 Donations to non-registered charitable causes and individuals

	Number	2019 £	Number	2018 £
Donations	-	-	4	750

During the year there were no donations made to non-registered charitable causes or individuals.

Payments in 2018 were paid to four non-registered charitable causes. One was to an individual for £250, two were to individuals for £100 each and one was to an individual for £300. All were for the Advancement of Education.

Any donations to non-registered charitable causes or individuals are to be regarded as exceptional.

Notes (continued)

6 Grants and donations to charitable organisations

	2019 £	2018 £
Grants	1,357,660	1,350,641

There were 27 (2018: 34) grants made to organisations during the year amounting to £1,357,660 (2018: £1,350,641).

	2019 £	2018 £
Donations	810,186	926,325

There were 64 (2018: 50) donations made to organisations during the year amounting to £810,186 (2018: £926,325).

Reconciliation of grants and donations payable:

	2019 £	2018 £
Accrued at 6 April 2018	761,175	716,034
Grants and donations payable for the year	2,167,846	2,276,966
Grants and donations paid during the year	(2,401,521)	(2,231,825)
Accrued at 5 April 2019	527,500	761,175
Payable as follows:		
Grants and donations payable <1 year – organisations	497,500	431,175
Grants and donations payable >1 year – organisations	30,000	330,000
	527,500	761,175

Notes (continued)

6 Grants and donations to charitable organisations (continued)

Grants	2019 £
The Green Alliance Trust	100,000
The Stephen Lewis Foundation - Mitigating Against Sexual Violence and Coercion	100,000
Anti-Slavery International	80,000
ZOE	75,361
Hope for Justice	70,000
Beyond the Streets	65,000
University of Bedfordshire - Contextual Safeguarding	60,065
Church of England Children's Society (Nottingham)	60,000
Synchronicity Earth	60,000
Charnwood 20:20	54,868
ClientEarth	50,000
Parents Against Child Sexual Exploitation	49,611
Well Grounded Limited	49,249
New Futures Project - Unity Project	46,005
Tearfund	40,225
ECPAT UK	40,000
End Violence Against Women Coalition	40,000
Environmental Justice Foundation Charitable Trust	35,000
Prisoners Education Trust	35,000
Rainforest Foundation UK	35,000
The BACA Charity	35,000
The Helen Bamber Foundation	35,000
Women's Aid Leicestershire Limited	34,921
Leicestershire and Rutland Wildlife Trust Limited	32,250
Baobab Centre for Young Survivors in Exile	30,105
Médecins Sans Frontières (MSF) UK	25,000
Anti-Trafficking and Labour Exploitation Unit (Atleu) Limited	20,000
	<hr/> 1,357,660 <hr/>

Notes (continued)

6 Grants and donations to charitable organisations (continued)

Donations	2019 £
The Mango Tree Orphan Support Programme	200,000
Footprints CEC (formerly Rutland School for Parents)	110,000
Friary Drop-In Limited (2)	90,000
Stewardship Services (UKET) Limited	70,500
The Community of the Tree of Life	50,000
Compassion Direct UK	40,000
International Justice Mission UK	40,000
The National Forest Charitable Trust	40,000
The Woodland Trust	30,000
Sustainable Land Trust	25,000
Melton Vineyard	20,000
Brass for Africa	15,000
Ilkeston United Reformed Church	15,000
The Jon Egging Trust	10,000
The Wild Trout Trust	10,000
Donations < £10,000 each (48)	44,686
	<hr/> 810,186 <hr/>

There is a contingent liability totalling £3,395,684 in respect of grants and donations that the Foundation has given initial approval for, to be made out of unrestricted funds. This is broken down as £2,940,684 in respect of grants and £455,000 in respect of donations. These grants and donations are subject to an annual review being made by the Foundation. The total commitment is therefore not provided for in these financial statements. It is payable as follows:

	Grants £	Donations £
Year ended 5 April 2020	1,430,761	415,000
Year ended 5 April 2021	902,979	40,000
Year ended 5 April 2022	581,944	-
Year ended 5 April 2023	25,000	-
	<hr/> 2,940,684 <hr/>	<hr/> 455,000 <hr/>

Notes (continued)

7 Support costs

	2019 £	2018 £
Advisors' fees	76,132	80,496
Administration expenses	20,364	8,955
Sundry expenses	36,877	41,030
	<u>133,373</u>	<u>130,481</u>

The comparative figures above have been restated such that they are reported on a comparable basis with the allocation of costs in the current year. Comparative figures reported in the 5 April 2018 audited financial statements were advisors' fees of £87,577 and administration expenses of £18,692.

8 Governance costs

	2019 £	2018 £
Auditor's fees		
Audit fees	6,000	6,000
Accountancy and taxation fees	1,662	202
Professional fees	7,776	-
Accountancy and administration fees	30,295	19,057
Sundry expenses	22,914	21,761
	<u>68,647</u>	<u>47,020</u>

The comparative figures above have been restated such that they are reported on a comparable basis with the allocation of costs in the current year. The comparative figure reported in the 5 April 2018 audited financial statements was accountancy and administration fees of £2,239.

9 Staff numbers and costs

The average number of employees during the year was as follows:

	2019	2018
Management of the Foundation	1	1
Administration of the Foundation	2	2
	<u>3</u>	<u>3</u>

Notes (continued)

9 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	77,666	44,915
Social security costs	4,183	1,227
Other pension costs	2,265	482
	<u>84,114</u>	<u>46,624</u>

None of the Foundation staff earn in excess of £60,000. Expenses reimbursed to Foundation staff are included in sundry support costs.

10 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived and remuneration during the year (2018: £nil).

The total amount of employee benefits received by key management personnel is £46,483 (2018: £35,396). The Foundation considers its key management personnel to be the Executive Director of the Foundation.

Expenses amounting to £957 were reimbursed to four Trustees during the year in respect of travel costs (2018: £584 to four Trustees in respect of travel costs).

11 Tangible fixed assets

	Freehold land £
Cost	
At 5 April 2018 and 5 April 2019	<u>5,000</u>

12 Fixed asset investments

	Listed securities £
Market value	
At 5 April 2018	60,489,626
Disposals	(1,280,000)
Revaluations	3,090,500
	<u>62,300,126</u>
At 5 April 2019	<u>62,300,126</u>
Historical cost	<u>49,441,992</u>

The investment comprises the Mazener Growth Fund which is a UK listed investment.

The difference between the historical cost and market value of investments amounting to £12,858,134 (2018: £10,030,057) is reflected in the unrestricted fund.

Notes (continued)

13 Programme related investments – social investments

	Social investments £
At 5 April 2018	-
Additions	300,000
Repaid in the year	-
	<hr/>
Net book value At 5 April 2019	300,000
	<hr/> <hr/>

Programme related investments – social investments comprise:

	Social investments 2019 £	Social investments 2018 £
National Homelessness Property Fund Limited Partnership	300,000	-
	<hr/>	<hr/>
	300,000	-
	<hr/> <hr/>	<hr/> <hr/>

The mission of the Homelessness Property Fund is working with St Mungo Community Housing Association to tackle homelessness across Oxford, Milton Keynes and Bristol.

14 Debtors

	2019 £	2018 £
Donations receivable	2,696	4,304
	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	9,247	8,250
Grants and donations payable	497,500	431,175
Social security	2,385	1,514
	<hr/>	<hr/>
	509,132	440,939
	<hr/> <hr/>	<hr/> <hr/>

Donations payable comprise £40,000 to Compassion UK, £2,500 to Gorran Haven Village Hall, £45,000 to Friary Drop-In Limited, £110,000 to Footprints Conductive Educational Centre Limited and £300,000 to Nottingham Castle Trust.

Notes (continued)

16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Grants and donations payable	30,000	330,000
	<u>30,000</u>	<u>330,000</u>

Donations payable comprise £30,000 to Nottingham Castle Trust in the year ending 5 April 2021.

17 Analysis of charitable funds

	Unrestricted funds £
Balance brought forward	63,646,157
Income	845,694
Expenditure	(2,369,866)
Unrealised gains	3,090,500
Balance carried forward	<u>65,212,485</u>

18 Payments to Trustees and related party transactions

No Trustee, or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from the Foundation (2018: £nil).

Expenses amounting to £957 were reimbursed to four Trustees during the year in respect of travel costs (2018: £584 to four Trustees in respect of travel costs).

During the year a donation amounting to £1,250 (2018: £nil) was made to Refugee Action. S Hale, a Trustee of the Foundation who resigned after the year end, is Chief Executive of Refugee Action.

During the year a donation amounting to £40,000 (2018: £nil) was made to The National Forest Charitable Trust. Sir David Samworth, settlor of the Foundation, is a Patron of The National Forest Charitable Trust.

Donations were made to the Foundation during the year from S Culloty, a Trustee of the Foundation who resigned during the year, amounting to £6,827 (2018: £6,750). At the year end, £2,696 (2018: £4,304) was payable to the Foundation from S Culloty.

Payments made to Samworth Brothers Limited for administration and accounting support provided to the Foundation together with the provision of office space amounted to £25,439 (2018: £11,234). M Samworth, a Trustee of the Foundation who was appointed during the year, is a Director of Samworth Brothers Limited.