

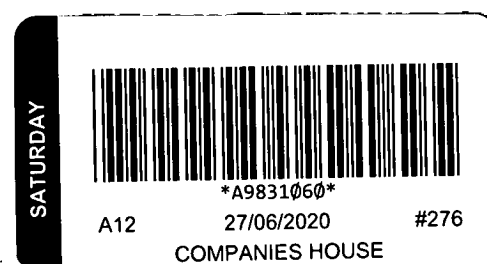
Registered number: 04396150
Charity number: 1124053

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

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**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Trustees I D Cormack (appointed 10 June 2019)
M C Leslie
Professor J G Mellor, Chair

**Company registered
number** 04396150

**Charity registered
number** 1124053

Registered office 1 - 3 College Yard
Worcester
WR1 2LB

Independent Examiners Bishop Fleming LLP
Chartered Accountants
16 Queen Square
Bristol
BS1 4NT

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The Trustees present their annual report together with the financial statements of the Charitable Company for the year 1 October 2018 to 30 September 2019. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Foundation for Governance Research and Education (FGRE)'s policy is to provide thought leadership and support for governance best practice to directors responsible for the leadership of their organisations in the profit and not-for-profit sectors.

FGRE's primary focus is on governance in financial services. The key objective is to provide practical education based on actual cases to existing and future directors, and to stimulate their development and professional ethos.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Case studies are drawn from a range of banks covering different ownership and business models. The education is delivered in partnership with UK Finance (UKF), the official body representing the financial services industry.

c. Activities undertaken to achieve objectives

Case studies are prepared from a combination of desk based research and, most importantly, interviews with past and present bank directors. The education is a series of seminars with a limited number of senior participants to facilitate constructive interaction and discussion of governance issues. The education is tailored to deliver output of practical value. To that end, FGRE's research is complemented by a faculty of senior practitioners and an Advisory Board of members with relevant practical experience and knowledge.

d. Main activities undertaken to further the Charitable Company's purposes for the public benefit

Bank director education is the main activity of FGRE. This is tailored most particularly for chairs and non-executive directors. Further, FGRE complements the delivery of seminars with publications on bank governance.

Achievements and performance

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Achievements and performance (CONTINUED)

a. Main achievements of the Charitable Company

(i) During the year under review, alongside the development of case studies, FGRE concluded a formal agreement with UKF for the delivery of the seminars and FGRE's responsibility for provision of case studies and assistance with seminar design. The marketing of seminars is the responsibility of UKF. Ownership of case studies is vested in FGRE. With a view to launching the first series of seminars in 2020, a pilot seminar was successfully completed in 2019.

(ii) Complementing the partnership with UKF, the support of the Worshipful Company of International Bankers was also formalized.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies (Note 2.2).

b. Reserves policy

Progress continues to be made on increasing the level of donations. FGRE's exposure to the banks and senior levels in the industry past and present provides potential sources of funding, and fundraising is ongoing.

At the appropriate time it is the intention of the Trustees to formalise a Reserves Policy.

c. Financial review

The Charitable Company had incoming resources of £45,007 during the year (2018: £21,250), all of which is unrestricted. Expenditure of £19,663 was incurred during the year (2018: £24,864). A surplus of £25,344 was made (2018: a deficit of £3,614).

The Charitable Company had negative closing reserves of £20,906 (2018: £46,150), all of which are unrestricted.

Structure, governance and management

a. Constitution

Foundation For Governance Research and Education is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the Charitable Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

STATEMENT OF TRUSTEES' RESPONSIBILITIES


The Trustees (who are also the directors of the Charitable Company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's 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. 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.

Approved by order of the members of the board of Trustees on 25 June 2020 and signed on their behalf by:



Professor J G Mellor
(Chair of Trustees)

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOUNDATION FOR
GOVERNANCE RESEARCH AND EDUCATION ('the Charitable Company')**

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 30 September 2019.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charitable Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charitable Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

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

1. accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

This report is made solely to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charitable Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's Trustees as a body, for my work or for this report.

Signed:



Dated: 26 June 2020

David Butler FCA DChA

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:				
Donations and legacies	3	35,007	35,007	21,250
Charitable activities	4	10,000	10,000	-
TOTAL INCOME		45,007	45,007	21,250
EXPENDITURE ON:				
Charitable activities	5	19,663	19,663	24,864
TOTAL EXPENDITURE		19,663	19,663	24,864
NET MOVEMENT IN FUNDS		25,344	25,344	(3,614)
RECONCILIATION OF FUNDS:				
Total funds brought forward		(46,150)	(46,150)	(42,536)
Net movement in funds		25,344	25,344	(3,614)
TOTAL FUNDS CARRIED FORWARD		(20,806)	(20,806)	(46,150)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 8 to 14 form part of these financial statements.

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:04396150

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
CURRENT ASSETS			
Debtors	8	19,500	3,250
		<u>19,500</u>	<u>3,250</u>
Creditors: amounts falling due within one year	9	(30,306)	(42,400)
		<u>(10,806)</u>	<u>(39,150)</u>
NET CURRENT LIABILITIES		(10,806)	(39,150)
TOTAL ASSETS LESS CURRENT LIABILITIES		(10,806)	(39,150)
Creditors: amounts falling due after more than one year	10	(10,000)	(7,000)
NET LIABILITIES EXCLUDING PENSION ASSET		(20,806)	(46,150)
TOTAL NET ASSETS		(20,806)	(46,150)
CHARITY FUNDS			
Unrestricted funds	12	(20,806)	(46,150)
TOTAL FUNDS		(20,806)	(46,150)

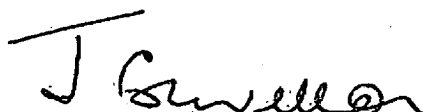
The Charitable Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 25 June 2020 and signed on their behalf by:



Professor J G Mellor
 (Chair of Trustees)

The notes on pages 8 to 14 form part of these financial statements.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. GENERAL INFORMATION

Foundation for Governance Education and Research is a private limited Charitable Company incorporated in the UK and registered in England and Wales.

The Charitable Company is a private company limited by guarantee. The members of the Charitable Company are the Trustees named on page 1. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £NIL per member of the Charitable Company.

The principal activity of the Charitable Company is that set out in the Trustees' Report.

The accounts are presented in GBP and are rounded to the nearest GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Foundation For Governance Research and Education meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

The Trustees have prepared budgets and cash flow forecasts for a period of at least 12 months following the date of approval of the financial statements. The Charitable Company has a net liability value at 30 September 2019 of £20,806 (2018: £46,150). At the year end the Charitable Company has net amounts due to Trustees of £11,306 (2018: £22,536).

The Trustees' assumptions and outlook consider the impact and uncertainty that the COVID-19 pandemic may have on the Charitable Company. This is being monitored on a daily basis by the Trustees. The Trustees have committed to continue to provide financial support, and on this basis are of the view the Charitable Company is a going concern.

The financial statements do not reflect the adjustments that would be necessary should the ability of the Charitable Company to operate be jeopardised due to a material issue with the availability of the Trustees, the level of demand or its ability to deliver services to its customers.

2.3 INCOME

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charitable Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.6 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.8 FINANCIAL INSTRUMENTS

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.9 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 Charitable Company and which have not been designated for other purposes.

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

3. INCOME FROM DONATIONS

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	28,000	28,000	18,000
Gift Aid on donations	7,007	7,007	3,250
	<u>35,007</u>	<u>35,007</u>	<u>21,250</u>
TOTAL 2018	<u>21,250</u>	<u>21,250</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Programme fees	10,000	10,000	-

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Governance, research and education	19,663	19,663	24,864

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Bank overdraft interest payable	2,283	1,909
Computer costs	310	110
Bank charges	375	375
Secretarial fees	12,500	21,000
Sundry costs	163	-
Telephone costs	1,374	-
Travel costs	858	-
Accountancy fees	1,800	1,470
	19,663	24,864

6. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,800 (2018 - £NIL), and other services of £NIL (2018 - £1,470).

In 2018 the Charitable Company was not required to have an independent exam, so fees payable were in relation to accounts preparation, tax and governance advice.

7. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 30 September 2019, £2,232 Trustee expenses have been incurred in relation to 1 Trustee (2018 - £NIL).

8. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	10,000	-
Prepayments and accrued income	2,500	-
Tax recoverable	7,000	3,250
	19,500	3,250

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank overdrafts	24,985	24,969
Other loans	-	5,000
Trade creditors	2,215	425
Other creditors	1,306	10,536
Accruals and deferred income	1,800	1,470
	<u>30,306</u>	<u>42,400</u>

Security:

Included within Bank overdrafts is an amount of £24,985 (2018: £24,969), which is unsecured.

Included within Other creditors are Trustees' loan balances totalling £1,306 (2018: 10,536), which are unsecured.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other creditors	10,000	7,000

Security:

Included within Other creditors are Trustees' loan balances totalling £10,000 (2018: £7,000), which are unsecured.

11. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial liabilities measured at amortised cost	(24,985)	(24,969)

Financial liabilities measured at amortised cost comprise bank overdrafts.

FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
UNRESTRICTED FUNDS				
General funds	(46,150)	45,007	(19,663)	(20,806)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2017 £	Income £	Expenditure £	Balance at 30 September 2018 £
UNRESTRICTED FUNDS				
General funds	(42,536)	21,250	(24,864)	(46,150)

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Total funds 2019 £
Current assets	19,500	19,500
Creditors due within one year	(30,306)	(30,306)
Creditors due in more than one year	(10,000)	(10,000)
TOTAL	(20,806)	(20,806)

**FOUNDATION FOR GOVERNANCE RESEARCH AND EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Total funds 2018 £
Current assets	3,250	3,250
Creditors due within one year	(42,400)	(42,400)
Creditors due in more than one year	(7,000)	(7,000)
TOTAL	(46,150)	(46,150)

14. RELATED PARTY TRANSACTIONS

	2019 £	2018 £
Services procured from spouse of a Trustee	12,500	21,000
Trade creditor balances owed to spouse of Trustee as at the year end	925	425
Prepaid services from spouse of Trustee as at the year end	2,500	-
Amounts owed to Trustees as at the year end	11,306	22,536
Donations from Trustees	23,000	8,000