

Charity number
1147246

Company number
07926570

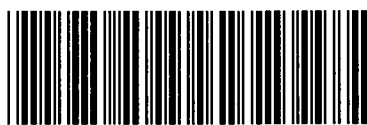
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FINANCIAL MARKET POLICIES FOUNDATION

**TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2013

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FINANCIAL MARKET POLICIES FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Denys G Bennett Lester D Corp Kjell O Hauge
Registered office	St Martin's House 16 St Martin's Le Grand London EC1A 4EN
Solicitors	Keates Ferris St Martin's House 16 St Martin's Le Grand London EC1A 4EN
Independent Examiner	R C P P Spofforth FCA Spofforths LLP Comewell House North Street Horsham West Sussex RH12 1RD
Bankers	Barclays Bank 366 Strand London WC2R 0JF
Charity number	1147246
Company number	07926570

FINANCIAL MARKET POLICIES FOUNDATION

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FINANCIAL MARKET POLICIES FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

The Trustees present their report and accounts for the financial year ended 31 December 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005.

The company is limited by guarantee and does not have share capital. The liability of the members is limited to £1 each. At 31 December 2013 all Trustees were members.

Public benefit reporting

The Trustees have due regard to the Charity Commission guidance on public benefit while setting the objects and activities of the charity.

Legal constitution

Financial Market Policies Foundation ("FMPF") is a charitable company. It was incorporated as a company limited by guarantee on 27 January 2012 (No 07926570) and registered as a charity in England and Wales on 14 May 2012 (No 1147246).

The Trustees who served during the year are as follows:

Denys G Bennett
Lester D Corp
Kjell O Hauge

Objectives

The world economy suffered a severe shock in 2008 from which it has not as yet recovered. This shock was largely unanticipated. The complexity of relationships between financial institutions had obscured the consequence of failure of one component upon the others. This was not properly understood either by the institutions themselves or by the regulating authorities. Moreover a widespread belief in the efficiency of financial markets had led policy-makers to downplay the risks inherent in rapidly rising private sector debt.

FMPF's mission is to advance public learning and knowledge about relationships between policy-makers (governments, treasuries, regulators and central banks) and financial markets and other financial entities. Through grants (at present only to institutions), and sometime in the future also bursaries and other financial assistance, FMPF supports study and research - by specific university fellows and graduates - to further the understanding of such relationships.

Our aim is to provide tools for a better understanding of these relationships, with the intent that practitioners, governments and regulators may be appraised of the research findings and their implications; and that such knowledge is widely disseminated so that public support for rational policies may be more likely to be forthcoming.

FMPF supports and publishes academic research into the role and impact of financial markets in contemporary and historical society; the relations between governments and financial markets; and their impact on the public good. FMPF supports its programme of academic research through the making of grants, scholarships and bursaries. It seeks where possible to place the results of such work in the public domain through journals, seminars, presentations and the internet. FMPF and its programmes are supported by advisors who are academically or professionally eminent in their own fields internationally.

FMPF expects public benefit to arise:

- a) through advancing learning and education within this field of study;
- b) through holding lectures, seminars and workshops at a leading university and at other educational establishments, inviting students, especially postgraduates, for their further education;
- c) by providing the opportunity to study the subject through scholarships, bursaries and grants as enumerated in the Foundation's objects;
- d) by identifying issues of contemporary interest and importance and making the work of researchers and scholars more accessible to practitioners.

FINANCIAL MARKET POLICIES FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

Organisation

The administration of FMPF is controlled by the Trustees. The current Trustees are detailed on the legal and administrative information page. There have been no changes in Trustees during the period. Trustees have the power to recruit and appoint candidates as Trustees. The decision is based on the individual's background.

Grant making policy

The Trustees have decided initially to limit charitable activities to grant making as far as possible. Applications will be reviewed by the Trustees, with the assistance of scrutiny by experts as considered necessary.

Review of the year

FMPF continued to fund the Political Economy of Financial Markets ("PEFM") programme, whose director is Max Watson, which it is supporting at St Anthony's College, Oxford University. The PEFM programme has started by exploring political and economic factors that contributed to the global and euro area crises and identifying where more research is needed to develop policy prescriptions for a future 'steady state' in managing financial markets. Its main activities are to carry out research, hold seminars, and publish findings in outlets that range from academic articles and books to policy briefings and op-ed pieces in the international press. In particular, a well attended and successful core seminars series was held in the autumn of 2013.

Fundraising in 2013 is considered satisfactory. Trustees particularly wish to thank John Howell and Company for their generous financial support for FMPF.

Incoming resources of £80,495 comprised donations of £80,056 and bank interest of £439. Resources expended of £18,593 comprised expenditure on charitable activities amounting to £16,250 and on governance costs, amounting to £2,343. The surplus of £61,902 has been carried forward on the balance sheet.

The Trustees' policy is to hold funds in short term readily realisable bank deposits.

Reserves policy

It is the intention of the Trustees to build up reserves at least equal to the value of grants awarded so that each present and future grant is fully funded before the grant commitment is entered into. Beyond this key policy objective, the Trustees do not consider it necessary to maintain minimum reserves at a level that ensures that FMPF's core strategic activities are able to continue in the longer term.

Risk management

FMPF has no employees. The Trustees have established procedures to ensure that all transactions are properly authorised. They review financial and other risks when appropriate. The Trustees are pleased to report that FMPF's internal financial controls conform to guidelines issued by the Charity Commission.

Plans for the future

The Trustees will continue to concentrate on supporting the PEFM programme. They will monitor the potential for donations to be received from companies and trusts, from whom it is anticipated the majority of income will arise in future years, with the intention of funding an extension of the PEFM programme and to support additional charitable activities. The Trustees will also look for opportunities to work with others in related fields close to our objectives.

FINANCIAL MARKET POLICIES FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of Trustees' responsibilities

The Trustees (who are also directors of FMPF 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 year, which give a true and fair view of the state of affairs of FMPF and of its incoming resources and application of resources, including the income and expenditure, of FMPF for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that FMPF will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of FMPF and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of FMPF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 10 April 2014 and signed on behalf of the trustees by



Lester D Corp
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FINANCIAL MARKET POLICIES FOUNDATION**

I report on the accounts of the company for the period ended 31 December 2013 which are set out on pages 5 to 8.

Respective Responsibilities of the Trustees and the Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:-

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



**R C P P Spofforth FCA
Spofforths LLP
Chartered Accountants
Comewell House
North Street
Horsham
West Sussex
RH12 1RD**

Date: 16 April 2014

FINANCIAL MARKET POLICIES FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	For the year to 31/12/2013 Unrestricted funds £	For the period from 27/01/2012 to 31/12/2012 Unrestricted Funds £
INCOMING RESOURCES			
Donations		80,056	120,063
Bank interest		439	150
TOTAL INCOMING RESOURCES		80,495	120,213
RESOURCES EXPENDED			
Charitable activities	3	16,250	91,800
Governance costs	4	2,343	5,820
TOTAL RESOURCES EXPENDED		18,593	97,620
NET MOVEMENT IN FUNDS		61,902	22,593
FUNDS BROUGHT FORWARD		22,593	-
FUNDS CARRIED FORWARD	9	84,495	22,593

FINANCIAL MARKET POLICIES FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2013

REGISTERED NO: 07926570

	Notes	£	2013 £	£	2012 £
Current assets					
Debtors	6	-		13	
Cash at bank		<u>129,616</u>		<u>103,004</u>	
		129,616		103,017	
Creditors: amounts falling due within one year	7	<u>(45,121)</u>		<u>(46,674)</u>	
Net current assets			84,495		56,343
Total assets less current liabilities			84,495		56,343
Creditors: amounts falling due after more than one year	8		-		(33,750)
Net assets			<u>84,495</u>		<u>22,593</u>
Unrestricted funds	9		<u>84,495</u>		<u>22,593</u>

The directors are satisfied that the company is entitled to audit exemption under Section 477 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Act.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with Section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 396 of the Companies Act 2006, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board and authorised for issue on 10 April 2014 and signed on its behalf by



Lester D Corp
Trustee

FINANCIAL MARKET POLICIES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Principal accounting policies

(a) Basis of accounting:

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005, the Charities Act 2011 and the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared on a going concern basis by the trustees on the basis of expected future donations.

(b) Incoming resources:

All incoming resources are included in the statement of financial activities when FMPF is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with reasonable accuracy. Tax recoverable from gift aid is accounted for on an accruals basis.

(c) Resources expended:

All expenditure is accounted for on an accruals basis. It is classified by reference to the cost of generating funds, charitable activities which may be further sub-classified by specific activity, and governance costs (which includes Trustees' expenses and examination fees), each of which aggregates all costs related to the category. Grants to third parties for specific activities are charged in the financial statements when an award is made.

(d) Funds:

Unrestricted funds are funds which are expendable at the discretion of the Trustees in furtherance of FMPF's objectives. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by FMPF for particular purposes.

(e) Taxation:

FMPF is a registered charity and as such is exempt from taxation on its income to the extent that it is applied to its charitable purposes. FMPF is not registered for VAT and expenditure is shown inclusive of VAT.

2 Amounts committed for research grants

	2013 £	2012 £
Balance at 1 January	78,750	-
Awarded	16,250	90,000
Payments	(51,500)	(11,250)
Balance at 31 December	<u>43,500</u>	<u>78,750</u>
Estimated to be disbursed:		
Within one year	43,500	45,000
After more than one year	-	33,750
	<u>43,500</u>	<u>78,750</u>

3 Charitable activities

	2013 £	2012 £
Grant funding of activities	16,250	90,000
Support costs	-	1,800
	<u>16,250</u>	<u>91,800</u>

The support costs in 2012 related to legal advice in respect of the research grant.

FINANCIAL MARKET POLICIES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

4 Governance costs

	2013	2012
	£	£
Governance costs include the following:		
Independent examiner fees	1,500	1,674
Legal fees	-	3,640
Trustee expenses	531	336
Postage and stationery	-	53
Web hosting and email	161	117
Bank charges	138	-
Companies House filing fee	13	-
	<u>2,343</u>	<u>5,820</u>

5 Trustees' expenses and remuneration

No Trustees or any person connected with the Trustees received any remuneration for his services during the period.
Two Trustees (2012: two) were reimbursed expenses for attending meetings which amounted to £531 (2012: £336).

6 Debtors

	2013	2012
	£	£
Other debtors	-	13
	<u>-</u>	<u>13</u>

7 Creditors: amounts falling due within one year

	2013	2012
	£	£
Amounts committed for grants	43,500	45,000
Accruals	1,621	1,674
	<u>45,121</u>	<u>46,674</u>

8 Creditors: amounts falling due after one year

	2013	2012
	£	£
Amounts committed for grants	-	33,750
	<u>-</u>	<u>33,750</u>

9 Unrestricted funds

	2013	2012
	£	£
Opening balance at 1 January 2013	22,593	-
Surplus for the period	61,902	22,593
Closing balance at 31 December 2013	<u>84,495</u>	<u>22,593</u>