

Registered number: 07926570
Charity number: 1147246

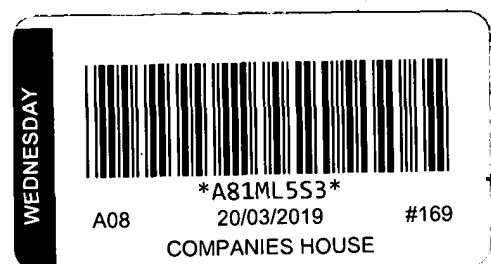
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Financial Market Policies Foundation

Unaudited

Trustees' report and financial statements

For the year ended 31 December 2018



Financial Market Policies Foundation

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Financial Market Policies Foundation

Reference and administrative details of the company, its trustees and advisers For the year ended 31 December 2018

Trustees

Denys G Bennett
Lester D Corp
Nicholas S Dove
Kjell O Hauge
John M A Howell

Company registered number

07926570

Charity registered number

1147246

Registered office

Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Website

www.fmpf.org

Independent Examiner

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

Barclays Bank
366 Strand
London
WC2R 0JF

Solicitors

Keates Ferris
St Martin's House
16 St Martin's Le Grand
London
EC1A 4EN

Financial Market Policies Foundation

Trustees' report

For the year ended 31 December 2018

The Trustees present their annual report together with the financial statements of the company for the 1 January 2018 to 31 December 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

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 2018 all Trustees were members.

Public benefit reporting

The Trustees have due regard to the Charity Commission guidance on public benefit while setting the objectives 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
Nicholas S Dove
Kjell O Hauge
John M A Howell

Objectives and Activities

• Objectives

FMPF was founded in response to the severe shock that the world economy suffered in 2008 from which it is still slowly recovering. 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 (at present only to institutions), and sometime in the future also 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.

Financial Market Policies Foundation

Trustees' report (continued) For the year ended 31 December 2018

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.

• Organisation

The administration of FMPF is controlled by the Trustees. The current Trustees are detailed on the legal and administrative information page for the year. 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

Achievements and performance

• Review of the year

FMPF continued to fund the Political Economy of Financial Markets ("PEFM") programme, which it is supporting at St Anthony's College, Oxford University. PEFM continued in pursuit of its goal to improve the institutional design of policy frameworks affecting financial markets, in order to help foster sustainable and crisis-free growth. The programme focused on the interaction between official policies and financial market behaviour. It explored how incentives affecting the financial sector can be coordinated to foster more stable growth in the real economy in the future. The scope of the 'official policies' reviewed under the programme goes well beyond the design of regulatory frameworks and of financial supervision. The focus continued to be largely on two interlocking themes: economic stability and resilience in Europe, and financial stability in the global economy. Speakers came from official national and international monetary/financial institutions, as well as from the private sector and academia.

In addition to its research program, PEFM has established a regular weekly seminar series, with between four and eight events per Oxford term, at the European Studies Centre (ESC) at St Antony's College in Oxford at which research is presented. These seminars have constituted one of the two central activities of PEFM in its first five years. At these meetings PEFM's members, and outside colleagues, receive and discuss a presentation from an invited speaker on a topic within one of the fields on which PEFM focuses.

PEFM has used a variety of activities to publicize the research which has been discussed in its seminars and conferences. These activities have involved both the team based at St. Antony's, others based elsewhere in Oxford, as well PEFM's national and international network of colleagues. Research outputs have been published in journals and working papers, and members of the PEFM network have presented them to academics, policy makers, and markets.

Papers by PEFM associates appeared in a number of publications, including Brookings Papers on Economic Activity, El Pais, and Social Europe. Presentations were made in London, Tirana, Paris and Budapest.

Financial Market Policies Foundation

Trustees' report (continued)

For the year ended 31 December 2018

£7,131 of donations were received in the year. FMPF awarded further grants in the year and settled the liability for all of them. There were no grant commitments outstanding at the year end.

Incoming resources of £7,157 comprised bank interest and donation income. Resources expended of £10,202 comprised expenditure on charitable activities amounting to £8,330 and on governance costs, amounting to £1,872. The deficit of £3,045 has been carried forward on the balance sheet.

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

Financial review

- **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.

Structure, governance and management

- **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 future periods

- **Plans for the future**

After the balance sheet date, the Trustees have resolved to close FMPF and to windup the company and its registration as a charity as soon as is practical. The Trustees are confident that there will be no insolvency / deficiency of assets upon the winding up of the charity.

Financial Market Policies Foundation

Trustees' report (continued) For the year ended 31 December 2018

Trustees' responsibilities statement

The Trustees (who are also directors of Financial Market Policies Foundation 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 the charitable company will continue in operation.

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.

This report was approved by the Trustees, on 11 March 2019 and signed on their behalf by:



.....
Lester D Corp
Trustee

Financial Market Policies Foundation

Independent examiner's report For the year ended 31 December 2018

Independent examiner's report to the Trustees of Financial Market Policies Foundation (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 December 2018.

This report is made solely to the 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 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 company and the company's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the Trustees of the 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 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 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 can 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 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.


Signed:

Dated: 4/3/18

R C P P Spofforth FCA

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Financial Market Policies Foundation

Statement of financial activities incorporating income and expenditure account For the year ended 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations	2	6,662	469	7,131	192
Bank Interest	3	26	-	26	81
Total income		6,688	469	7,157	273
Expenditure on:					
Charitable activities	4,5	9,733	469	10,202	32,665
Total expenditure		9,733	469	10,202	32,665
Net expenditure before other recognised gains and losses		(3,045)	-	(3,045)	(32,392)
Net movement in funds		(3,045)	-	(3,045)	(32,392)
Reconciliation of funds:					
Total funds brought forward		3,062	-	3,062	35,454
Total funds carried forward		17	-	17	3,062

All income and expenditure derives from continuing activities.

The charity has no recognised gains or losses for the year other than the results above.

The notes on pages 9 to 13 form part of these financial statements.

Financial Market Policies Foundation
Registered number: 07926570

Balance sheet
As at 31 December 2018


	Note	£	2018 £	£	2017 £
Current assets					
Debtors	7	-		137	
Cash at bank and in hand		1,640		38,427	
		<u>1,640</u>		<u>38,564</u>	
Creditors: amounts falling due within one year	8	(1,623)		(35,502)	
Net current assets			<u>17</u>		<u>3,062</u>
Net assets			<u>17</u>		<u>3,062</u>
Charity Funds					
Unrestricted funds	9		<u>17</u>		<u>3,062</u>
Total funds			<u>17</u>		<u>3,062</u>

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 11 March 2019 and signed on their behalf, by:



 Lester D Corp
 Trustee

The notes on pages 9 to 13 form part of these financial statements.

Financial Market Policies Foundation

Notes to the financial statements For the year ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity does not include a cashflow statement on the grounds that it is applying FRS102 section 1A

Financial Market Policies Foundation 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. The financial statements are presented in Sterling and rounded to the nearest £1.

1.2 Company status

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

1.3 Income

All income is recognised once the 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.

1.4 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. All expenditure is accounted for on an accruals basis. It is classified by reference to the cost of raising 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.

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

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants 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 offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Financial Market Policies Foundation

Notes to the financial statements For the year ended 31 December 2018

1. Accounting policies (continued)

1.6 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.

1.7 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.

1.8 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. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 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.

1.10 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 company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,662	469	7,131	192
Total 2017	192	-	192	

Financial Market Policies Foundation

Notes to the financial statements For the year ended 31 December 2018

3. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	26	-	26	81
Total 2017	81	-	81	

4. Analysis of grants

	Grants to Institutions 2018 £	Grants to Individuals 2018 £	Total 2018 £	Total 2017 £
St Anthony's College Oxford University	7,545	-	7,545	30,737
Professor K Nicolaidis Oxford University	-	785	785	-
	7,545	785	8,330	30,737
Total 2017	30,737	-	30,737	

5. Support costs

	Charitable activities £	Total 2018 £	Total 2017 £
Independent examiners fees	1,560	1,560	1,560
Other	30	30	50
Web hosting and email	156	156	146
Bank charges	113	113	159
Companies house filing fee	13	13	13
	1,872	1,872	1,928
Total 2017	1,928	1,928	

6. Net income/(expenditure)

During the year, no Trustees received any remuneration (2017 - £NIL).
During the year, no Trustees received any benefits in kind (2017 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

Financial Market Policies Foundation

Notes to the financial statements For the year ended 31 December 2018

7. Debtors

	2018 £	2017 £
Other debtors	-	137

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Accruals	1,623	1,620
Amounts committed for grants	-	33,882
	<u>1,623</u>	<u>35,502</u>

	2018 £
Amounts committed for research grants	
Balance brought forward at 1 January 2018	33,882
Awarded	-
Payments	(33,882)
Balance carried forward at 31 December 2018	<u>-</u>

Financial Market Policies Foundation

Notes to the financial statements For the year ended 31 December 2018

9. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
Unrestricted funds				
General Fund	3,062	6,688	(9,733)	17
Restricted funds				
Restricted Funds	-	469	(469)	-
Total of funds	3,062	7,157	(10,202)	17

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
General funds				
General Fund	35,454	273	(32,665)	3,062
Restricted funds				

10. Related party transactions

There have been no related party transactions during the year.

11. Controlling party

The charity is controlled by the trustees.