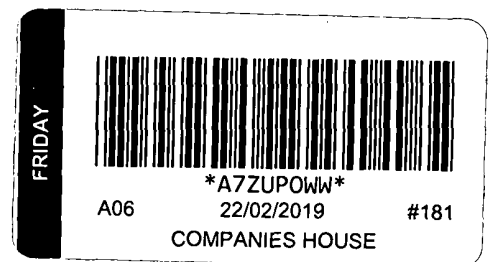


Registered number: 08565148
Charity number: 1162201

Founders for Good Ltd
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 May 2018



Founders for Good Ltd
(A company limited by guarantee)

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Founders for Good Ltd
(A company limited by guarantee)

Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 May 2018

Trustees

D C Bonas
N D Hutchinson
P D Kimmelman
R J Reed
A M Semboglou
J P P Goodwin

Company registered number

08565148

Charity registered number

1162201

Registered office

The Biscuit Factory
Block A Unit 402A
100 Clements Road
London
SE16 4DG

Chief executive officer

David Goldberg

Independent auditors

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Silicon Valley Bank
14-18 Finsbury Square
London
EC2A 1BR

Founders for Good Ltd
(A company limited by guarantee)

Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 May 2018

Advisers (continued)

Legal Advisors

Cooley UK LLP
69 Old Broad Street
London
EC2M 1QS

Legal Advisors

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Founders for Good Ltd
(A company limited by guarantee)

Trustees' report
For the year ended 31 May 2018

The Trustees present their annual report together with the audited financial statements for the year 1 June 2017 to 31 May 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The only objects for which the Company is established are, for the public benefit:

- to support the charitable sector by promoting and improving the efficiency and effectiveness of methods used to secure charitable resources, in particular (but not exclusively) by raising awareness among individuals involved in the digital business community;
- to advance the education of individuals and organisations working in technology, digital media and other digital industries as to the ways in which their business knowledge and experience could be used to improve the effectiveness of charities, in particular but not exclusively by:
 - the provision of training; and
 - the provision of educational programmes.to further such purpose or purposes which are exclusively charitable according to the law of England and Wales in such manner as the Trustees in their absolute discretion think fit.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Founders For Good recognises that an effective board of trustees is essential if the charity is to be effective in achieving its objects. The board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the Charity's activities, to enable them to carry out their role and to represent the Charity at meetings and other events.

Individuals who appear suitable candidates will be invited to attend a trustee meeting as an observer and will receive further information regarding the role of being a trustee.

If, following this meeting, at least two trustees wish to proceed the candidate will need to be approved by a two-thirds vote of existing trustees/board directors.

Founders for Good Ltd
(A company limited by guarantee)

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

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

In the 2017-2018 year, Founders For Good grew by \$292,800,000 in new pledge commitments. This shows an almost 50% increase in commitments over the previous year.

Alongside this success, we expanded our research team to allow us best to support both our members and the greater philanthropic community in giving effectively on a larger scale. They continue to generate research, but also develop ways to communicate this research to different audiences.

We have also begun a long-term research project looking at how our members can support social good in ways that are not direct donations to the operations of other organisations. This is in preliminary stages and is expected to conclude in mid-2019.

This next year should see a marked increase in member engagement both around the research we provide and as a cohesive community itself. We will be offering our usual events (conferences, dinners) while testing new and novel ways of bringing our members together. To increase our potential impact, we will also be communicating more regularly in public forums about our research.

Grant-making policy

All grants are recommended to the Trustees for approval by the Deployment Director. The Deployment Director conducts due diligence on the potential recipient and the trustees ensure that any grants made are aligned with Founders Pledge's Charitable Purposes.

Significant events that have affected financial performance

There have been no unexpected significant event that have affected financial performance. Both our total pledge commitments and our operational contributions have steadily increased as planned.

Principal risks and uncertainties

The Trustees have considered the key risks of the Charity and continuously evaluate and manage the most significant risks, including reputational and organisational. The Trustees have established clear policies and procedures to mitigate and manage such risks. The Trustees have due regard to retaining and recruiting Trustees with sufficient skill and expertise to manage and strategically evaluate the risks.

Founders for Good Ltd
(A company limited by guarantee)

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

Factors likely to affect future financial performance

Overall, Founders For Good mainly relies on both grant and individual funding to support its operations. The performance of the organisation, however, is measured both in how much money we can secure in committed pledge funds, as well as how many grants we make. The main factors in securing pledge commitments are: trust in Founders For Good by the public and potential members, our ability to provide tax relief to donors, the professionalism with which we can maintain our relationships with our members, and the ability of the team to meet with founders at our own events as well as external events. The main factors in maintaining donor support for our operations are: the effectiveness of the grants we make, our ability to report that the donors' money isn't better spent elsewhere, and our ability to influence the money our members donate for grants.

Pay policy for key management personnel

The trustees consider and assess pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. The pay of the key management personnel is reviewed annually by the Trustees to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Principal funding sources

Our principal funding sources are pledges and donations.

Reserves Policy

It is Founders For Good's aim to have one year of operations of funding secured at any given time. As at 31 May 2018, Cash at Bank is £3,884,371 and would cover an estimated 20 months of operation. This meets our target of securing funding for at least 12 months of operation. Founders For Good holds £858,074 in restricted funds that will be granted out to other organisations throughout the year. These funds are not intended to be held long term.

Plans for future periods

Founders For Good intends to remain in operation through at least the following two financial years. While funding has yet to be secured for this entire duration, discussion of increased and continued donations from our major donors is in process. It is expected that funds secured by 31 May 2019 will cover at least two more years of operation. Some of these funds will be secured for the year through 31 May 2020, however additional donations will be discussed alongside.

Fundraising

The charity recognised the provisions of the Charities (Protection and Social Investment) Act 2016. The charity takes a responsible approach to its fundraising, ensuring pledgers and potential pledgers are treated with respect. The charity has not used any commercial fundraising partners or outsourced its fundraising activity. No complaints were received in respect of fundraising.

This report, was approved by the Trustees, in their capacity as company directors, on 18 February 2019 and signed on their behalf by:



N D Hutchinson
Trustee

Founders for Good Ltd
(A company limited by guarantee)

Trustees' responsibilities statement
For the year ended 31 May 2018

The Trustees (who are also directors of Founders For Good Ltd 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 of 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Founders for Good Ltd
(A company limited by guarantee)

Independent auditors' report to the members of Founders for Good Ltd

Opinion

We have audited the financial statements of Founders for Good Ltd (the 'charity') for the year ended 31 May 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Founders for Good Ltd
(A company limited by guarantee)

Independent auditors' report to the members of Founders for Good Ltd

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Founders for Good Ltd
(A company limited by guarantee)

Independent auditors' report to the members of Founders for Good Ltd

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Founders for Good Ltd
(A company limited by guarantee)

Independent auditors' report to the members of Founders for Good Ltd

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Alun Edwards FCA MAAT DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury
19 February 2019

Founders for Good Ltd
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	2,788,471	1,083,720	3,872,191	1,672,178
Other trading activities	3	27,000	-	27,000	10,027
Investments	4	1,174	-	1,174	2,867
Other income		345	-	345	-
Total income		2,816,990	1,083,720	3,900,710	1,685,072
Expenditure on:					
Raising funds	5	51,315	-	51,315	42,510
Charitable activities		767,303	505,496	1,272,799	1,126,012
Total expenditure	9	818,618	505,496	1,324,114	1,168,522
Net income / (expenditure) before other recognised gains and losses		1,998,372	578,224	2,576,596	516,550
Reconciliation of funds:					
Total funds brought forward		1,031,786	279,850	1,311,636	795,086
Total funds carried forward		3,030,158	858,074	3,888,232	1,311,636

The notes on pages 14 to 26 form part of these financial statements.

Founders for Good Ltd
(A company limited by guarantee)
Registered number: 08565148

Balance sheet
As at 31 May 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		5,945		5,103
Current assets					
Debtors	13	19,218		414,809	
Cash at bank and in hand		3,884,371		926,403	
		<u>3,903,589</u>		<u>1,341,212</u>	
Creditors: amounts falling due within one year	14	<u>(21,302)</u>		<u>(34,679)</u>	
Net current assets			<u>3,882,287</u>		<u>1,306,533</u>
Net assets			<u><u>3,888,232</u></u>		<u><u>1,311,636</u></u>
Charity Funds					
Restricted funds	16		858,074		279,850
Unrestricted funds	16		3,030,158		1,031,786
Total funds			<u><u>3,888,232</u></u>		<u><u>1,311,636</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on 18 February 2019 and signed on their behalf, by:



N D Hutchinson

The notes on pages 14 to 26 form part of these financial statements.

Founders for Good Ltd
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 May 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>2,960,225</u>	<u>149,135</u>
Cash flows from investing activities:			
Interest from investments		1,174	2,867
Purchase of tangible fixed assets		<u>(3,431)</u>	<u>(5,471)</u>
Net cash used in investing activities		<u>(2,257)</u>	<u>(2,604)</u>
Change in cash and cash equivalents in the year		2,957,968	146,531
Cash and cash equivalents brought forward		<u>926,403</u>	<u>779,872</u>
Cash and cash equivalents carried forward	19	<u>3,884,371</u>	<u>926,403</u>

The notes on pages 14 to 26 form part of these financial statements.

Founders for Good Ltd
(A company limited by guarantee)

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

1. Accounting policies

Founders for Good Ltd is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 08565148. The registered office is 100 Drummond Road, Bldg A Unit 402a, London, SE16 4DG.

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.

Founders for Good Ltd 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 charity's functional and presentational currency is Pounds Sterling.

The charity's financial statements are presented to the nearest Pound.

1.2 Company status

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

1.3 Going concern

The trustees have reasonable expectation that the charity 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.

1.4 Income

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Founders for Good Ltd
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

Founders for Good Ltd
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	20%
Computer equipment	-	33%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.7 Interest receivable

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 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.

1.10 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 charity 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.

1.11 Financial instruments

The charity 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.

Founders for Good Ltd
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.15 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 charity 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 charity 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.

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Income recognition

In applying the charity's policy for income recognition the trustees are required to consider the charity's entitlement to the receipt of the income based on the terms of the 'pledge'.

Founders for Good Ltd
(A company limited by guarantee)

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

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,768,336	1,083,720	3,852,056	1,672,178
Donated rent	20,135	-	20,135	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	2,788,471	1,083,720	3,872,191	1,672,178
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	1,113,371	558,807	1,672,178	
	<hr/>	<hr/>	<hr/>	

Founders For Good Ltd would like to state that the trustees are grateful for the gift of office space for part of the year ended 31 May 2018 .

3. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Sponsorships	-	-	-	10,027
Consultancy	27,000	-	27,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	27,000	-	27,000	10,027
	<hr/>	<hr/>	<hr/>	<hr/>
Net income from trading activities	27,000	-	27,000	10,027
	<hr/>	<hr/>	<hr/>	<hr/>

In 2017 the charity's trading income related entirely to unrestricted funds.

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Deposit account interest	1,174	-	1,174	2,867
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	2,867	-	2,867	
	<hr/>	<hr/>	<hr/>	

Founders for Good Ltd
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Notes to the financial statements
For the year ended 31 May 2018

5. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Website	14,555	-	14,555	13,047
Travel and subsistence	33,791	-	33,791	24,991
Advertising	2,969	-	2,969	4,472
	<u>51,315</u>	<u>-</u>	<u>51,315</u>	<u>42,510</u>
Total 2017	<u>42,510</u>	<u>-</u>	<u>42,510</u>	

6. Analysis of grants

	Grants to institutions 2018 £	Total 2018 £	Total 2017 £
Grants	505,496	505,496	743,486
Total 2017	<u>743,486</u>	<u>743,486</u>	

	2018 £	2017 £
The total grants paid to cause areas during the year was as follows:		
Arts	26,500	17,750
Education	41,813	358,505
International operations	177,084	-
Health and wellbeing	193,183	110,972
Human rights	19,300	35,523
Poverty	10,116	99,011
Refugee	37,500	70,000
Youth	-	51,725
Total	<u>505,496</u>	<u>743,486</u>

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

7. Direct costs

	Grant making activities £	Total 2018 £	Total 2017 £
Content/Media Production	22,758	22,758	15,370
Event expenses	29,061	29,061	33,866
Training	1,153	1,153	185
General Office Expenses	9,123	9,123	-
Sundry expenses	3,037	3,037	447
Foreign exchange (loss)/profit	5,020	5,020	(33,904)
Research paid for as consultant	11,945	11,945	38,053
Office expenses	21,143	21,143	6,220
Computer costs	5,207	5,207	3,003
Interest payable	-	-	152
Property rent	27,426	27,426	(122)
Cleaning	2,334	2,334	79
Entertainment	8,262	8,262	1,911
Bank fees	9,894	9,894	250
Legal and professional fees	1,992	1,992	1,427
Recruitment expenses	2,461	2,461	-
Postage, printing and stationery	3,227	3,227	1,628
Rates and water	5,274	5,274	-
Wages and salaries	532,184	532,184	282,576
National Insurance	52,532	52,532	25,249
Pension cost	2,916	2,916	-
Depreciation	2,588	2,588	1,846
	759,537	759,537	378,236
Total 2017	378,236	378,236	

8. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors' remuneration	3,050	-	3,050	2,750
Auditors' non audit costs	950	-	950	500
Accountancy fees	3,766	-	3,766	1,040
	7,766	-	7,766	4,290

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9. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	51,315	51,315	42,510
Costs of raising funds	-	-	51,315	51,315	42,510
Direct costs - Grant making	587,632	2,588	674,813	1,265,033	1,121,722
Expenditure on governance	-	-	7,766	7,766	4,290
	587,632	2,588	733,894	1,324,114	1,168,522
Total 2017	307,825	1,846	858,851	1,168,522	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,589	1,846
Auditors' remuneration - audit	3,050	2,750
Auditors' remuneration - non audit	500	500

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).

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

11. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	532,184	282,576
Social security costs	52,532	25,249
Other pension costs	2,916	-
	<u>587,632</u>	<u>307,825</u>

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Employees	14	8

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £80,001 - £90,000	0	1

The total salaries received by key management personnel including employer national insurance contributions and employer pension contributions was £216,461 (2017: £166,896).

12. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 June 2017	762	7,509	8,271
Additions	567	2,864	3,431
At 31 May 2018	<u>1,329</u>	<u>10,373</u>	<u>11,702</u>
Depreciation			
At 1 June 2017	148	3,020	3,168
Charge for the year	297	2,292	2,589
At 31 May 2018	<u>445</u>	<u>5,312</u>	<u>5,757</u>
Net book value			
At 31 May 2018	<u>884</u>	<u>5,061</u>	<u>5,945</u>
At 31 May 2017	<u>614</u>	<u>4,489</u>	<u>5,103</u>

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

13. Debtors

	2018 £	2017 £
Trade debtors	4,594	-
Other debtors	13,572	-
Accrued pledge income	1,052	414,809
	<u>19,218</u>	<u>414,809</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	8,082	8,082
Trade creditors	5,205	-
Other taxation and social security	-	14,624
Other creditors	4,015	6,223
Accruals and deferred income	4,000	5,750
	<u>21,302</u>	<u>34,679</u>

15. Financial Instruments

	2018 £	2017 £
Financial assets measured at amortised cost	<u>6,212</u>	<u>414,809</u>
Financial liabilities measured at amortised cost	<u>17,287</u>	<u>20,055</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other loans.

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

16. Statement of funds

Statement of funds - current year

	Balance at 1 June 2017 £	Income £	Expenditure £	Balance at 31 May 2018 £
Unrestricted funds				
General funds	1,031,786	2,816,990	(818,618)	3,030,158
Restricted funds				
Pledge fulfillment fund	279,850	843,005	(505,496)	617,359
Donor advised	-	100,000	-	100,000
Single donation	-	140,715	-	140,715
	279,850	1,083,720	(505,496)	858,074
Total of funds	1,311,636	3,900,710	(1,324,114)	3,888,232

Statement of funds - prior year

	Balance at 1 June 2016 £	Income £	Expenditure £	Balance at 31 May 2017 £
General Funds	330,557	1,126,265	(425,036)	1,031,786
Restricted funds				
Pledge fulfillment fund	464,529	558,807	(743,486)	279,850
Total of funds	795,086	1,685,072	(1,168,522)	1,311,636

Summary of funds - current year

	Balance at 1 June 2017 £	Income £	Expenditure £	Balance at 31 May 2018 £
General funds	1,031,786	2,816,990	(818,618)	3,030,158
Restricted funds	279,850	1,083,720	(505,496)	858,074
	1,311,636	3,900,710	(1,324,114)	3,888,232

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Notes to the financial statements
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16. Statement of funds (continued)

Summary of funds - prior year

	Balance at 1 June 2016 £	Income £	Expenditure £	Balance at 31 May 2017 £
General funds	330,557	1,126,265	(425,036)	1,031,786
Restricted funds	464,529	558,807	(743,486)	279,850
	<u>795,086</u>	<u>1,685,072</u>	<u>(1,168,522)</u>	<u>1,311,636</u>

The restricted funds comprise pledge fulfillment funds which represents amounts received from donors in respect of pledges made less grants paid out to their nominated charities.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	5,945	5,945
Current assets	3,030,158	873,431	3,903,589
Creditors due within one year	-	(21,302)	(21,302)
	<u>3,030,158</u>	<u>858,074</u>	<u>3,888,232</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	5,103	-	5,103
Current assets	1,061,362	279,850	1,341,212
Creditors due within one year	(34,679)	-	(34,679)
	<u>1,031,786</u>	<u>279,850</u>	<u>1,311,636</u>

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For the year ended 31 May 2018

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,576,596	516,550
Adjustment for:		
Depreciation charges	2,588	1,846
Interest from investments	(1,174)	(2,867)
Decrease/(increase) in debtors	395,592	(382,838)
(Decrease)/increase in creditors	(13,377)	16,444
Net cash provided by operating activities	2,960,225	149,135

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	3,884,371	926,403
Total	3,884,371	926,403

20. Operating lease commitments

At 31 May 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	34,702	-
Between 1 and 5 years	22,672	-
Total	57,374	-

21. Related party transactions

During the year ended 31 May 2018 donations totalling £215,000 (2017: £32,593) were received from Trustees.

A Trustee, J P P Goodwin is a partner in Founders Forum LLP. As at 31 May 2018 £8,082 was owed to Founders Forum LLP (2017: £8,082).

See note 11 for details of key management personnel compensation paid during the year.

22. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.