

Registered number: 08492424
Charity number: 1151978

Peter Sowerby Foundation

(A company limited by guarantee)

Annual report

30 September 2023

Peter Sowerby Foundation

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Trustees' responsibilities statement	10
Independent auditor's report	11 - 14
Statement of financial activities	15
Balance sheet	16 - 17
Statement of cash flows	18
Notes to the financial statements	19 - 29

Peter Sowerby Foundation

(A company limited by guarantee)

Reference and administrative details Year ended 30 September 2023

Trustees Mr D B H Aspinall, Chair
Professor C M Longson
Mrs S Siegel Poullos
Dr D L Stables

Company registered number 08492424

Charity registered number 1151978

Registered office Oxnead Hall
Oxnead
Norfolk
NR10 5HP

Independent auditor UNW LLP
Citygate
St. James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Cater Allen Limited
2 Triton Square
Regent's Place
London
NW1 3AN

Solicitors Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Peter Sowerby Foundation

(A company limited by guarantee)

Reference and administrative details (continued) Year ended 30 September 2023

Investment advisors

Quilter Cheviot Limited
One Queensway
London
WC2B 6AN

Psigma Investment Management
11 Strand
London
WC2N 5HR

Sparrows Capital
35 Ballards Lane
London
N3 1XW

Rathbones Investment Management
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Canaccord Genuity Wealth Management
11 Waterloo St
Newcastle Upon Tyne
NE1 4DP

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report Year ended 30 September 2023

The trustees present their Annual Report together with the audited financial statements of the Peter Sowerby Foundation ('the company') for the year 1 October 2022 to 30 September 2023. The trustees confirm that these 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 2019).

With the Covid-19 global pandemic behind us, we had hoped that the challenges of the previous financial year would begin to abate for the charity sector. Unfortunately, this was not the case as inflation remained persistently high in the UK leading to significant cost of living pressures. Combined with the impact of high interest rates, this has led to significant challenges across the sector which have been exacerbated by very high competition for available private sector funds.

During the year, trustees, staff and advisors noted an increase in the number of charities approaching the Foundation, especially as the funding environment became more competitive and the ongoing economic climate began to impact donations to charities nationally. We have collectively worked hard to continue supporting as many charities as possible within our strands of grant making and to be flexible in allowing reasonable adjustments to the delivery of grants where charities have requested adaptations.

As previously, trustees have continued to split grant making between smaller projects which provide on-the-ground immediate support in the Foundation's areas of interest, whilst additionally seeking longer-term strategic initiatives with significant potential to change wider policy and practice, especially within public health.

This year also saw the Foundation complete its 10th year since inception. As part of our celebrations, we provided a number of organisations - including National Youth Jazz Orchestra and Autistica and AESOP - with final strategic grants as a legacy of successful grant provision to these organisations.

This year has also seen the launch of several strands of funding which were developed during the previous financial year, including a new Open Call within primary healthcare and a new strand of seed funding for organisations at the early stages of establishing their charitable and social impact programmes. We have also recognised the growing importance of supporting charities with a focus on the natural environment.

Trustees also reviewed and updated the Foundation's grant making criteria to ensure this continues to reflect the most urgent needs of organisations across the charity sector.

Through this, the trustees remain committed to ensuring that the wishes of our Benefactor - Peter Sowerby - are reflected and fulfilled through the Foundation's work. Peter cared deeply about his community, his patients, and their access to high quality primary, secondary and end of life healthcare. His other interests, including philosophy, education, the environment, horticulture, the arts, and conservation are all represented in the Foundation's grant making programmes.

In keeping with the wishes and personal character of Dr Sowerby, the Foundation will continue to be a funder that is distinctive in its approach to grant making and which is prepared to push the boundaries of achievement within its chosen fields, with the objective of making a tangible and lasting impact.

The trustees would like to put on record their continued thanks for Dr Sowerby's generosity in his gifts to the Foundation through his lifetime and through his generous bequest which continues to make such a positive difference to the lives of so many.

Trustees would like to thank Cause4 for their ongoing support during this period.

Charitable Objectives

The charity operates as a grant making foundation having been substantially endowed by the late GP and medical entrepreneur Dr Peter Sowerby. From the proceeds of the endowment income, the charity aims to give expression to the passions and interests of Dr Sowerby and his late wife, Ann, for public benefit.

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 30 September 2023

Under the charity's Articles of Association, the trustees have the power to pay or apply the capital and income of the Trust Fund to or for such exclusively charitable objects or purposes in any part of the world as the trustees may in their discretion determine. The trustees' primary aim is to make grants to other UK registered or exempt charities and community interest companies, in particular those falling within the categories of:

- a) Healthcare
- b) Education
- c) Community
- d) Environment
- e) Seed funding

With regard to the community domain, trustees have placed an emphasis on youth, the arts and Yorkshire based projects and small scale health initiatives.

In their policies and decision making, the trustees typically favour innovative and catalytic projects which hold the potential to influence policy and practice elsewhere.

The powers of the charity to make charitable donations were drawn widely so that a diverse range of worthy charitable recipients are able to benefit. The trustees meet at regular intervals to review their strategic objectives and to agree their programme of ongoing grants.

Public Benefit

The trustees have paid due regard to public benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees contribute to the management of the charity on a voluntary basis. The charity has engaged third party expertise to review and monitor projects of a complex or technical nature, and some of these provide advice at a reduced rate. The charity does not directly manage any volunteers at the present time.

Achievements and performance

Review of activities

The period 2022/23 saw a further period of grant making by the Foundation, with grants released standing at around £1.2m.

During this period the Foundation's grant making policy remained the same in that, in general, we do not solicit requests for funding and, whilst this will continue to be the case with regards to the majority of the Foundation's grant making, on occasion the trustees will put out an open call for grant applications within a focussed area of work. These will be specifically related to areas of identified need.

Grants (over £50,000) made this year, include:

- Outreach EMR - £230,000 - further funding to support the development of electronic medical records in the developing world.
- National Youth Jazz Orchestra - £150,000 - a core grant to build NYJO's profile through a package of organisational development projects to support and enhance its ambitious programme of frontline charitable activity.
- AESOP - £150,000 - a core grant to grow the Aesop Institute as a valued source of expertise, networking, training and support services for arts enterprises aiming to change lives demonstrably.
- Autistica - £149,958 - a core grant to support the charity in developing key projects linked to its 2030 goals.
- National Youth Choirs of Great Britain - £149,725 - a core grant to support its programme of charitable activity.
- Mental Health Innovations - £75,000 - funding to support the development of technology to support mental health.

Grants under £25,000, across our programmes, included:

- Deaf Action - £25,000
-

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued)

Year ended 30 September 2023

- Norfolk and Suffolk NHS Foundation Trust Charitable Fund - £25,000
- Muslim Hands - £25,000
- Transform - £25,000
- Encephalitis Society - £25,000
- The Bureau - £24,994
- Tyne & Wear Museums - £24,980
- Leeds Hospital Charity - £23,500
- Barbican Centre Trust - £20,000
- Jurassic Coast Fund - £19,300
- GROW - £12,241

Small grants under £10,000 are not listed.

Kings College London Peter Sowerby Chair in Philosophy and Medicine

In addition to the information on the projects cited above, trustees are pleased to provide an update on their continuing partnership with Kings College London in funding the Peter Sowerby Chair in Philosophy and Medicine.

Elselijn Kingma has continued to attract a large team with diverse research interests at the intersection of medicine and philosophy and in delivering substantial activity.

In the past 12 months, Kings College continued to successfully deliver a wide range of teaching, research and outreach, and the project has cemented its place at the centre of an extended network of academics and clinicians with interests in philosophy, medicine and their interconnections.

Specific highlights of the past 12-months have included work relating to consent in labour, advising the Dutch government on ethical deliberations regarding the Screening of Blood Donation and Embryo Research and plans to develop a new MA course in Women and Child Health Department.

2023's Annual Lecture was given by Professor Nancy Cartwright and focused on 'Better Evidence for Policy Predictions & Evaluations.'

Financial review

The final assets arising from the significant bequest of £27,368,318 from Dr P R Sowerby to the charity were transferred to the charity during the year.

The assets of the charity comprise investments, the returns from which are used to finance the grants awarded in accordance with its objectives. The net incoming resources of the charity for the year ended 30 September 2023 and the financial position at that date are set out in the financial statements which follow. During the year, the charity received investment income of £1,187,366 (2022: £910,752) and legacy income of £nil (2022: £421,219). The legacy income represents the final material income from Dr Peter Sowerby's estate. From the associated income, grants were awarded, including directly attributable costs, of £1,294,701 (2022: £1,983,176). The charity had a deficit before revaluations of £413,670 (2022: £1,007,573). At the year end the market value of the investments had risen due to additions to the portfolio as well as a net gain of £2,089,229 (2022: net loss of £3,973,678). The net movement in funds for the year was a surplus of £1,675,559 (2022: a deficit of £4,981,251). Total funds carried forward at 30 September 2023 were £61,392,379 (2022: £59,716,820).

The market value of the Foundation's financial investments at the end of September 2023 (which excludes bank deposit balances) was £61,448,012 (2022: £59,971,083), an increase of £1,476,929 after market movements, grants made, fees and operational expenses. Cash balances decreased by £352,675 to £1,517,727 (2022: £1,870,402). During the course of the year there were no significant changes to the Foundation's investment objectives, constraints, or policies, although these are regularly reviewed.

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 30 September 2023

Reserves policy

As at 30 September 2023, the Foundation held reserves of £61,392,379, £61,448,012 has been invested for the longer term to provide a return for the Foundation in future years, with the remaining reserves in a net £55,633 deficit. However, as noted above, the trustees have the power to utilise the investments for charitable purposes as required. It is the trustees' policy that unrestricted funds should be maintained in liquid form at a minimum level of the value of all forward grant commitments and operating expenses payable in the following twelve months. This balance, including long term grant commitments, is estimated to be £2m. The level of net current assets held at 30 September 2023 is below this level at £484,489 due to the increased grants awarded but the trustees consider that the position is acceptable given the cash held within the investment portfolio and will return to desired levels in 2023/2024.

Financial position

The balance sheet of the Foundation shows unrestricted funds as at 30 September 2023 of £61,392,379 (2022: £59,716,820), after allowing for existing grant commitments.

After making appropriate enquiries, the trustees have a 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.

Grant making policy

The trustees' policy is to invite applications for funding on a solicitation only basis from registered charities, unregistered charities, community interest companies and registered healthcare providers.

Intellectual property policy

The trustees operate on the strong presumption that grant holders will avail all work and discovery funded by the Foundation to the public domain in an open, convenient and freely available way. Only in exceptional circumstances does the Foundation agree to negotiate a commercial dispensation in relation to IP; however, in such circumstances it is incumbent on the grant holder to satisfy the trustees that their method will achieve public benefit more effectively than a public domain approach.

Investment policy

During the reporting period, management of the charity's investments was delegated to Quilter Cheviot, Sparrows Capital, Rathbones Investment management and Psigma Investment Management under discretionary agreements, with independent investment consultancy provided to the trustees by HFMC Wealth Ltd.

Investment strategy is agreed between the trustees, their consultants and the investment managers and is set out in a detailed Investment Policy Statement which forms an integral part of the agreement with the investment managers. This policy is reviewed annually by the trustees. The trustees are guided by their consultants and the portfolio is invested with a long term time horizon in order to protect the Foundation's grant making ability into the future. The strategy aim is to achieve the trustees' target return whilst taking an appropriate level of risk. A 'total return' strategy is adopted. Fixed interest investments and equities are the principal instruments held, but other asset classes may be used. There are currently no ethical or environmental restrictions imposed by the investment policy.

The investment managers provide quarterly reports including analysis of returns compared to the agreed benchmarks and general market issues and meet with the trustees at regular intervals. The trustees' investment consultants report to them independently of the investment managers.

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 30 September 2023

Communications policy

The website continues to provide information and detail on the grants made by the Foundation, analysis of the impact of grant making and has been used to promote open calls for funding.

Structure, Governance and Management

Constitution

The charity was originally established as a charitable trust in January 2011 and in April 2013 registered as a charitable company (Company no. 08492424, Charity no. 1151978). The Foundation is governed by its Memorandum and Articles of Association as adopted on 16 April 2013.

Trustees

As set out in the Articles of Association, the members are trustees of the charity and directors of the company, and new members are approved by resolution of the existing trustees. The minimum number of trustees required is three.

The names of the trustees who served during the period are set out below with brief biographical details:

Mr David Aspinall

David Aspinall has been Chairman of the Peter Sowerby Foundation since its establishment in 2011. David spent his career in personal financial planning and wealth management having founded the advisory firm, Aspinalls, prior to which he was a professional musician. Past trusteeships have included Sound and Music, the Society for the Promotion of New Music and the National Youth Choirs of Great Britain.

Dr Carole Longson

Carole is a respected leader in health technology assessment with considerable achievements in research, public and private sectors. She has unparalleled insight into the fast evolving health technology innovation pipeline having pioneered NICE's health technology evaluation programmes. Carole was an Executive Director at NICE from 2000 to 2018 and Chief Scientific Officer at the Association of the British Pharmaceutical Industry from 2018 to 2020. She was formerly President of Health Technology Assessment International and now has advisory roles including Life Science Advisor at NICE.

Carole is currently vice chair of the Medicines Discovery Catapult in the UK, was previously on Scientific Advisory Committee for Innovative Medicines Initiative (IMI) and holds non Executive Director and advisory roles in scientific endeavours in the UK and abroad. Throughout her career, she has championed the public and private sector collaborating to ensure medical innovation benefits patients in a way that is sustainable for healthcare systems.

Mrs Sara Siegel Poullos

Sara leads Deloitte's Healthcare practice in the UK and Europe and has worked with the NHS and the Department of Health for the last twenty years. Sara has worked on major areas of health policy and implementation over the years, most recently supporting government with its coronavirus response. Sara also advises health insurers and private health companies. The health practice at Deloitte has a broad advisory scope and also builds runs and maintains digital health systems as well as robotic and cognitive tools designed to improve hospital efficiency and release clinical time for direct patient care.

Sara is a graduate of Northwestern University and holds an MBA from INSEAD.

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 30 September 2023

Dr David L Stables

David has over 36 years' experience in healthcare IT. Having qualified in Medicine at Dundee University in 1981, he entered general practice in 1984 at Egton Surgery in North Yorkshire working as a Partner in that practice alongside Dr Peter Sowerby. Together they developed the patient records management software that subsequently formed the basis of the business of EMIS. He was appointed Medical Director of EMIS in 1987 and went on to lead the EMIS software development team with responsibility for software requirements, design, technology and clinical assurance until 2011.

From 2011 David served as Strategic development director at EMIS PLC until 2013. Since then, David has established the Endeavour Health Charitable Trust with an endowment, of which he is a Trustee, and became a trustee of the Peter Sowerby Foundation in 2014.

Policies adopted for the induction and training of trustees

The skills and composition of the Board are kept under review and, if additional trustees are required, steps are taken via open recruitment to seek new members with relevant skills and experience. Newly appointed trustees are provided with all relevant information appertaining to the charity and its affairs in order that they have a sufficient level of knowledge to enable them to perform their roles effectively. This includes an induction programme, meetings with individual trustees along with updates, briefing papers and the charity's policies, annual reports and financial statements for the previous three years. Trustees are encouraged to meet regularly with prospective and existing beneficiaries of the Foundation's grants.

All trustees are kept up to date with ongoing developments in charity law and practice, and there are opportunities to attend training in charity management and to attend meetings and conferences related to the charity's main grant making areas.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet on a regular basis to review developments with regard to the charity, its grant giving and operations, and make all key decisions. The trustees review the proposals for grants and approve as appropriate. They also review progress on all ongoing grant programmes.

The trustees obtain grant programme advice from their independent advisors, Cause4, and also use their professional and personal networks to seek out suitable funding opportunities for the Foundation which fall within the agreed criteria. Formal applications are then invited from chosen organisations and these are assessed in detail with the relative merits considered against the agreed criteria before any grants are awarded.

Advice and support is obtained as required from the charity's professional advisers, including grant management, investment management, solicitors and accountants. The Foundation employs a part time Foundation Manager to whom the day to day management of the charity's affairs, along with the implementation of its policies, is delegated.

Aspinalls Family Office LLP provides independent investment consultancy services to the trustees.

Risk management

The trustees approve all grants awarded and all grant and general expenditure payments above £500 are approved by two or more trustees in accordance with the Foundation's financial policies.

The trustees have assessed, and regularly review, the risks to which the charity is exposed and are satisfied that systems and controls are in place to mitigate exposure to the major risks identified and that these are appropriate for the level of activity carried out by the charity during the period. The principal risk is considered to be the management and performance of the investment assets and this is mitigated through the use of professional investment managers who report regularly to the trustees along with independent investment consultancy oversight.

Peter Sowerby Foundation

(A company limited by guarantee)

Trustees' report (continued) Year ended 30 September 2023

Plans for future periods

The direction of the Foundation's giving strategy is expected remain unchanged during 2023-24 whereby the Foundation will invite applications for funding on a solicitation only basis from registered charities, unregistered charities, community interest companies and registered healthcare providers.

Disclosure of information to auditors

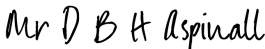
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that the trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

UNW LLP have indicated their willingness to continue in office. The trustees will propose a motion re appointing the auditors at a meeting of the trustees.

Approved by order of the members of the board of trustees on 27 June 2024 and signed on their behalf by:

DocuSigned by:

A5B1485E26334FE...

Mr D B H Aspinall
(Trustee)

Peter Sowerby Foundation

(A company limited by guarantee)

Statement of trustees' responsibilities Year ended 30 September 2023


The trustees (who are also the directors of the 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. 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 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 judgments 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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 27 June 2024 and signed on its behalf by:

DocuSigned by:

A5B1485E26334FE...
Mr D B H Aspinall
(Trustee)



Independent auditor's report to the Members of Peter Sowerby Foundation

Opinion

We have audited the financial statements of Peter Sowerby Foundation ('the charitable company') for the year ended 30 September 2023 which comprise the Statement of financial activities, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 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 'Auditor's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the Members of Peter Sowerby Foundation (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 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.



Independent auditor's report to the Members of Peter Sowerby Foundation (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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.

Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the company's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatements in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



Independent auditor's report to the Members of Peter Sowerby Foundation (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
59C7DD6C467F49E...

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants
Newcastle upon Tyne

27 June 2024

Peter Sowerby Foundation

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) Year ended 30 September 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations	2	-	-	421,219
Investments	3	1,187,366	1,187,366	910,752
Total income		1,187,366	1,187,366	1,331,971
Expenditure on:				
Investment management costs		306,335	306,335	356,368
Charitable activities	4	1,294,701	1,294,701	1,983,176
Total expenditure		1,601,036	1,601,036	2,339,544
Net expenditure before net gains / (losses) on investments				
		(413,670)	(413,670)	(1,007,573)
Net gains /(losses) on investments		2,089,229	2,089,229	(3,973,678)
Net movement in funds		1,675,559	1,675,559	(4,981,251)
Reconciliation of funds:				
Total funds brought forward		59,716,820	59,716,820	64,698,071
Net movement in funds		1,675,559	1,675,559	(4,981,251)
Total funds carried forward		61,392,379	61,392,379	59,716,820

The notes on pages 19 to 29 form part of these financial statements.

Peter Sowerby Foundation

(A company limited by guarantee)

Balance sheet

As at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	7	4,189	7,779
Investments	8	61,448,012	59,971,083
		<u>61,452,201</u>	<u>59,978,862</u>
Current assets			
Debtors	9	40,739	529,052
Cash at bank and in hand		1,517,727	1,870,402
		<u>1,558,466</u>	<u>2,399,454</u>
Creditors: amounts falling due within one year	10	(1,073,977)	(1,693,232)
Net current assets		<u>484,489</u>	<u>706,222</u>
Total assets less current liabilities		<u>61,936,690</u>	<u>60,685,084</u>
Creditors: amounts falling due after more than one year	11	(544,311)	(968,264)
Total net assets		<u><u>61,392,379</u></u>	<u><u>59,716,820</u></u>
Charity funds			
Unrestricted funds	13	61,392,379	59,716,820
Total funds		<u><u>61,392,379</u></u>	<u><u>59,716,820</u></u>

Peter Sowerby Foundation

(A company limited by guarantee)

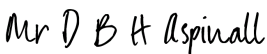
Balance sheet (continued)

As at 30 September 2023

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 27 June 2024 and signed on their behalf by:

DocuSigned by:

A5B1485E26334FE...

Mr D B H Aspinall
Chair

Company registered number: 08492424

The notes on pages 19 to 29 form part of these financial statements.

Peter Sowerby Foundation

(A company limited by guarantee)

Statement of cash flows Year ended 30 September 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities (see note 14)	(2,152,341)	5,642,833
Cash flows from investing activities		
Dividends, interests and rents from investments	1,187,366	910,752
Proceeds from sale of investments	25,891,371	29,914,249
Purchase of investments	(25,279,071)	(36,760,190)
Net cash provided by/(used in) investing activities	1,799,666	(5,935,189)
Change in cash and cash equivalents in the year	(352,675)	(292,356)
Cash and cash equivalents at the beginning of the year	1,870,402	2,162,758
Cash and cash equivalents at the end of the year	1,517,727	1,870,402

The notes on pages 19 to 29 form part of these financial statements

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

1. Accounting policies

1.1 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Peter Sowerby 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 prepared in pounds sterling and rounded to the nearest £1.

1.2 Company status

The company is a company limited by guarantee, incorporated and domiciled in England. The member of the company are the trustees names on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

The Foundation holds substantial investment assets, but maintains sufficient cash reserves to allow it to meet its ongoing commitments for at least 12 months. At the year end, the cash balance was above the commitments due within one year. The trustees have a 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 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims on the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

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.

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

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.

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

Charitable activities include direct costs incurred on the company's grant-making operations and support costs incurred in running the charitable operations.

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.

The provision for multi-year grants is recognised at present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit it to avoid making the future payments, settlement is probable and the discounted value is considered to be materially different from the cash settlement figure. The discount rate applied is regarded by the trustees as the most current available estimate of the opportunity cost of money and is based on the rate of inflation.

Support costs are those costs incurred directly in support of expenditure on the objects of the company, including those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life:

Website - 20% straight line

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

1. Accounting policies (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

1.8 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 institution with whom the funds are deposited.

1.9 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.

1.10 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.

1.11 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.

1.12 Pensions

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

1.13 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.

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

1. Accounting policies (continued)

1.14 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.

In preparing these financial statements the directors do not consider there were any significant estimates or areas of judgment that were required in applying the company's accounting policies as set out above.

2. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Legacy income	-	-	421,219
	<u> </u>	<u> </u>	<u> </u>

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Dividend income	1,084,413	1,084,413	817,187
Interest on investments	102,953	102,953	93,565
	<u> </u>	<u> </u>	<u> </u>
	1,187,366	1,187,366	910,752
	<u> </u>	<u> </u>	<u> </u>
Total 2022	<u> </u>	<u> </u>	<u> </u>
	910,752	910,752	
	<u> </u>	<u> </u>	

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

4. Analysis of expenditure by activities

	Grant giving 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Grants awarded (note 5)	1,175,845	118,856	1,294,701	1,978,176
Grant administration	-	-	-	5,000
	<u>1,175,845</u>	<u>118,856</u>	<u>1,294,701</u>	<u>1,983,176</u>
Total 2022	<u>1,777,157</u>	<u>206,019</u>	<u>1,983,176</u>	

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	-	11,206
Professional fees in support of grant programme	90,687	86,898
Administration and other professional fees	3,600	88,177
Sundry costs	293	614
IT costs and amortisation	17,026	11,374
Auditor's remuneration	7,250	6,750
Auditor's non-audit costs	-	1,000
	<u>118,856</u>	<u>206,019</u>

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

5. Grants awarded in the year

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Autistica	149,958	149,958	-
AESOP	150,000	150,000	-
Bethlehem Gallery	-	-	98,600
Brain and Spine Foundation	-	-	100,000
Brook Young People	-	-	100,000
Culture Squared CIC	-	-	81,756
FareShare	-	-	72,565
Mental Health Innovations	75,000	75,000	-
Music in Hospital and Care	-	-	100,000
National Youth Choirs of Great Britain	149,725	149,725	-
National Youth Jazz Orchestra	150,000	150,000	-
Outreach EMR	230,000	230,000	-
Prostate Cancer UK	-	-	98,920
Tommy's	-	-	244,786
Two Ridings Community Foundation	-	-	495,000
University of Leeds (Wild Ingleborough)	-	-	249,201
Other grants < £50,000	271,162	271,162	399,329
Grants written back	-	-	(268,000)
Total 2023	1,175,845	1,175,845	1,772,157

Grants to beneficiaries over £50,000 have been disclosed separately with all other grants shown above in 'Other grants' and any grants written back in 'Grants write back'. Grants written back are where the beneficiary no longer meets the conditions for the grant to be paid by the Foundation. The creditor and commitment are therefore reversed.

The Foundation made 16 (2022: 21) grants less than £50,000 to a variety of institutions. Further details of the nature of causes supported is given in the Trustees report.

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

6. Staff costs

	2023	2022
	£	£
Wages and salaries	-	12,525
Social security costs	-	2,555
Contribution to defined contribution pension schemes	-	1,126
	<u>-</u>	<u>16,206</u>

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

	2023	2022
	No.	No.
Administrator	-	1

No employee received remuneration amounting to more than £60,000 in either year.

The trustees received no remuneration in either year. No expenses were paid to trustees (2022: £nil).

Key management personnel are deemed to be those having authority and responsibility for planning, directing and controlling the activities of the charity. During the year the key management personnel comprised the board of trustees and consequently the total employee benefits of the key management personnel were £nil (2022: £nil).

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

7. Intangible assets

	Website £
Cost	
At 1 October 2022	17,952
At 30 September 2023	<u>17,952</u>
Amortisation	
At 1 October 2022	10,173
Charge for the year	3,590
At 30 September 2023	<u>13,763</u>
Net book value	
At 30 September 2023	<u><u>4,189</u></u>
At 30 September 2022	<u><u>7,779</u></u>

8. Fixed asset investments

	Listed investments £	Cash £	Total £
Cost or valuation			
At 1 October 2022	50,859,848	9,111,235	59,971,083
Additions	25,235,472	43,599	25,279,071
Disposals	(17,178,327)	(8,446,850)	(25,625,177)
Revaluations	1,823,035	-	1,823,035
At 30 September 2023	<u><u>60,740,028</u></u>	<u><u>707,984</u></u>	<u><u>61,448,012</u></u>

9. Debtors

	2023 £	2022 £
Due within one year		
Prepayments and accrued income	<u><u>40,739</u></u>	<u><u>529,052</u></u>

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	6,632	-
Grants awarded but not yet paid	1,060,095	1,629,895
Accruals and deferred income	7,250	63,337
	<u>1,073,977</u>	<u>1,693,232</u>

11. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Grants awarded but not yet paid	<u>544,311</u>	<u>968,264</u>

12. Reconciliation of grants payable

	2023 £	Total funds 2023 £	Total funds 2022 £
Brought Forward	2,598,159	2,598,159	3,104,269
Grants awarded in the year (note 5)	1,175,845	1,175,845	1,772,157
Grants paid or released in the year	(2,169,598)	(2,169,598)	(2,278,267)
Carried forward	<u>1,604,406</u>	<u>1,604,406</u>	<u>2,598,159</u>

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

13. Statement of funds

Statement of funds - current year

	Balance at 1 October 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2023 £
Unrestricted funds					
General funds	59,716,820	1,187,366	(1,601,036)	2,089,229	61,392,379

Statement of funds - prior year

	Balance at 1 October 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2022 £
Unrestricted funds					
General funds	64,698,071	1,331,971	(2,339,544)	(3,973,678)	59,716,820

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,675,559	(4,981,251)
Adjustments for:		
Amortisation charges	3,590	3,590
(Gains)/losses on investments	(2,089,229)	3,973,678
Dividends, interests and rents from investments	(1,187,366)	(910,752)
Decrease in debtors	488,313	8,053,742
Decrease in creditors	(1,043,208)	(496,174)
Net cash provided by/(used in) operating activities	(2,152,341)	5,642,833

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2023

15. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	<u>1,517,727</u>	<u>1,870,402</u>

16. Analysis of changes in net debt

	At 1 October 2022 £	Cash flows £	At 30 September 2023 £
Cash at bank and in hand	<u>1,870,402</u>	<u>(352,675)</u>	<u>1,517,727</u>

17. Pension commitments

The charity operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £nil (2022: £1,126).

18. Related party transactions

Mr D Aspinall is the executor to the estate of the late Dr P R Sowerby, of which the Foundation was the residual beneficiary. During the year £nil (2022: £421,219) was received from the estate. At year end an estimate of £nil (2022: £500,000) remained outstanding.