

Registered number: 08492424
Charity number: 1151978

Peter Sowerby Foundation

(A company limited by guarantee)

Annual report

30 September 2019

Peter Sowerby Foundation

(A company limited by guarantee)

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Reference and administrative details

Year ended 30 September 2019

Trustees	Mr D B H Aspinall, Chair Professor C M Longson Mrs S Siegel Poullos Dr D L Stables Aspinalls Fiduciary Limited
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
Investment advisors	Quilter Cheviot Limited One Queensway London WC2B 6AN Seven Investment Management LLP 55 Bishopsgate London EC2N 3AS

Peter Sowerby Foundation

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Trustees' report Year ended 30 September 2019

The trustees present their annual report together with the audited financial statements of the company for the year 1 October 2018 to 30 September 2019. 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).

It is with great sadness that the trustees note the passing of the settlor, Dr Peter Sowerby, in November 2019. As a former GP in a rural community in North Yorkshire, Peter cared deeply about his community, his patients and their access to high-quality primary healthcare. These priorities are reflected in the Foundation's work. Peter's many other interests, including philosophy, education, the environment, horticulture, the arts and conservation are also represented in the Foundation's grants. In keeping with the wishes and personal character of Dr Sowerby, the Foundation aims to be a funder that is distinctive in its approach to grant-making and prepared to push the boundaries of achievement within its chosen fields, so as to make a tangible and lasting impact. The trustees would like to put on record their profound thanks for Dr Sowerby's generosity in his gifts to the Foundation, which have enabled grants of over £10m to be made to almost 100 charitable organisations over the last eight years.

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.

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 & Environment

With regard to the Community domain, trustees have placed an emphasis on youth, arts and Yorkshire-based projects.

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 have been drawn widely so that a diverse range of worthy charitable recipients are able to benefit. Trustees meet at regular intervals to review the parameters of their grant making policies and programmes and to agree a 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 experts to review and monitor projects of a complex or technical nature, who provide advice at a much reduced rate. The charity does not directly manage any volunteers at the present time.

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Trustees' report (continued)

Year ended 30 September 2019

Achievements and performance

Review of activities

The period 2018/19 represents the seventh year of significant grant-making activity for the Peter Sowerby Foundation.

It is the trustees' policy not to solicit requests for funding, and this will continue to be the case with regard to the majority of the Foundation's grants; however, following a full review of its charitable giving policy in 2018, the trustees agreed that the Foundation should, for the first time, launch an open call for expressions of interest in its new Healthcare Breakthrough Fund. Therefore, in early 2019 the Foundation rolled out its Healthcare Breakthrough strategy aimed specifically at encouraging innovative and ambitious proposals for primary healthcare innovation. The Foundation made up to £2m available for the first wave of winning Healthcare Breakthrough proposals. Over 50 expressions of interest were received, many of which were of great interest to the trustees. Trustees were assisted by external expertise in the sifting of the complex proposals to ensure that all elements of each expression of interest were fully appreciated, particularly in the context of the wider picture of what else was happening in these areas. The quality and number of proposals meant that the selection took longer than originally envisaged. By the end of 2019, the trustees had narrowed the field to a preferred project, but at the time of writing the first award is yet to be publicly announced.

Whilst outside of the current reporting period, the trustees note the considerable impact of the Covid-19 crisis on not only the Foundation in terms of its investments, but also on the wider charitable sector. Many of the Foundation's grant holders past and present - if not all - will have felt the impact of the crisis in terms of reduced income, inability to provide services to beneficiaries, loss of staff resource and potentially other difficulties as yet not seen. The Foundation was quick to support its charitable partners through approving revisions to project timelines, agreeing alternative ways of working and reallocation of funding where appropriate. As it stands, trustees believe that, while the Covid-19 situation will cause delay to the delivery of a number of the projects it funds, it does not appear that any of these will fail because of the crisis.

In addition to the support outlined above, in March 2020 trustees agreed a £1,000,000 Covid-19 relief fund to help support those organisations it had an existing relationship with, as well as to provide emergency funding to nationally vital services delivered by the charitable sector and smaller community groups in North Yorkshire via the Two Ridings Community Foundation. The trustees will report in more detail on the use of this fund in their report for the 2019/20 financial year.

The trustees have reason to be satisfied with the performance of the charity which has very significantly increased its level of activity with an increase in grants awarded of 183% to £1,631,989 during the year. Funding levels are in line with budget and its projects have generally achieved the outputs required for public benefit.

A full list of the grants awarded during the period is shown in note 7 to these accounts with further detail below:

Autistica

Autistica is an autism charity, specialising in medical research & focused on whole-life issues. In early 2018 the Foundation supported Autistica through the provision of financial and advisory support for the Sowerby Health intervention for Autistic People (SHAPE) study. This is a study of annual GP health checks for autistic adults to improve primary health access and address mortality & co-morbidities of people with autism & other cognitive conditions. The later 2018 grant was provided to fund a supplementary Public Affairs project to amplify findings and tools produced by the Newcastle University consortium.

Bradford Literature Festival

The Foundation supported the annual Bradford Literature Festival in June and July 2019 through the part funding of four city park family fun days and two days of schools' programmes. The festival successfully captures audiences from a broad range of socioeconomic, generational and racially diverse backgrounds. These activities are free to access for attendees and are at the heart of Bradford Literature Festival's work with, and engagement of, Bradford's most disadvantaged and isolated communities.

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Trustees' report (continued)

Year ended 30 September 2019

Crohn's & Colitis UK

Crohn's & Colitis UK is dedicated to the health, wellbeing & social support of people with ulcerative colitis, Crohn's disease, and related inflammatory bowel diseases, and their carers. The Foundation supports the Spotlight Project, which aims to improve early detection and intervention management of Crohn's and Colitis, which affects at least 300,000 people in the UK. IBD is a very distressing complaint, which often presents when people are in their mid-20s with profound personal and social knock-on effects. It has overlapping symptoms with less life threatening and more commonplace conditions like irritable bowel syndrome so it is difficult to diagnose with confidence and proportionate resources.

Economist Educational Foundation

The Economist Educational Foundation (EEF) leverages the journalistic expertise of The Economist newspaper to enable inspiring, philosophical discussions about the news in, and between, schools. The Foundation's third grant to EEF is to fund a one-day event, Agora, that brings schools together from across the UK to engage in inspiring, philosophical discussions about an important issue in the news. EEF aims to reach 1,000 young people at 30 schools the first event in March 2020 with at least 55% of places going to state schools, and a focus on involving students who are eligible for Pupil Premium funding, have special educational needs or are falling behind in expected progress.

EMR4DW

EMR4DW is a UK charity based in North Yorkshire that is committed to empowering local people in developing countries to achieve sustainable health care through the use of an electronic medical records system.

The charity has developed a simple, easy-to-use, cloud-based system, designed by practising clinicians, to record patients' personal details, observations, consultations, diagnoses, maternity history and immunisations. It also supports pharmacy, cash book and other reporting facilities. The system can record and report on over 200 WHO coded diseases but has capacity for thousands if needed.

Peter Sowerby Foundation is supporting phase I of the development of interoperability for the system. Interoperability will enable clinics to send information to central health authorities electronically. Evidence suggests that by providing the ability to look at accurate data regarding disease and geographical prevalence on a national scale, this will contribute to the improvement in infant mortality rates.

National Youth Choirs of Great Britain

NYCGB is the main talent development and performance charity for young choral singers in the UK. The Foundation is supporting a Widening Access and Engagement partnership programme in Yorkshire for 2019-2020. The objectives of this include; more young people taking part in a framework of high-quality singing opportunities and a reduction in the inequality of opportunity for many young people in access to singing.

National Youth Jazz Orchestra

NYJO's mission is to promote jazz as an exciting, engaging and inspirational art form through world-class performances and education work. The Foundation supported two different strands of the NYJO's work in this grant. It match-funded with Arts Council England the NYJO Jazz Exchange and it supported NYJO's regional work in the North East of England through funding for the Darlington Regional Academy and the expansion of North East Jazz Education Development.

Sheffield Hospitals Charity

Sheffield Hospitals Charity exists to improve the treatment of local patients and support NHS staff to deliver the best quality healthcare in all of Sheffield Teaching Hospitals. The Foundation are supporting a project on Gluten as a Risk Factor for Dementia. The study will look at otherwise healthy people who have antigliadin antibodies for any evidence of gluten-related brain damage. The study will compare them to matched controls and use a combination of brain imaging, cognitive testing and questionnaires to do this. This will allow for the most immediate, important question to be asked; are you more likely to have brain harm if you have antigliadin antibodies? Positive findings would provide new evidence that suggests gluten as being an entirely new, major modifiable risk factor for dementia.

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Trustees' report (continued)

Year ended 30 September 2019

Snape Maltings

Snape Maltings' Creative Campus in Suffolk is a point of focus and innovation for musicians, researchers and communities interested in advancing the positive impacts of music in society. The Sowerby supported project aims to convene a diverse community of practitioners, researchers and participants to engage in a wide-ranging practical enquiry into the positive health impacts of music, with a particular strategic theme of Singing and Health.

Target Ovarian Cancer

Target Ovarian Cancer is the specialist national charity for research and campaigning on the fourth biggest cause of death among women in UK. The Foundation is supporting the Transforming diagnosis project, which aims to identify and break down barriers to early diagnosis. The project is expected to improve women's chances of surviving ovarian cancer by increasing the speed of diagnosis. If all UK health authorities' diagnostic performance matched that in the very best areas, an additional 2,000 women with ovarian cancer would survive one year or longer.

University of Strathclyde

The Foundation is supporting the research project led by Professor Roma Maguire, Connected [home-based] Symptom Management for Patients and Carers in End-of-Life Care. The goal of this is to enable and support more people in the last 6 months of life to die at home with fewer emergency admissions and hospital deaths, via the development, testing and implementation of a connected and integrated system of monitoring and care.

The system anticipates an anticipatory and preventative model of terminal care management at home. As well as technical efficacy, the system is intended to qualify the capability of digital systems to reduce triggers to hospital admission, improve equity in end-of-life care eg, by serving rural patients with a quality service and reduce anxiety among patients and carers.

Wild Rumpus

Wild Rumpus exists in a space where arts and culture meet the natural environment. Working from four acres of woodland in the North of England the organisation improves access to nature and green spaces through arts and cultural engagement.

Peter Sowerby Foundation awarded a grant to support the development of The Forge, a new woodland creation centre and development space in the North of England (Scholar Green, Chester). An inspiring green environment where artists, producers, volunteers, organisations and communities can come together to develop new projects, to work collaboratively, learn new skills and connect to nature.

Yorkshire Arboretum

The Arboretum is set in the Castle Howard parkland in North Yorkshire that stewards 6,000 trees, plus lakes and ponds, and provides schools and arboriculture training. Trees in the UK are experiencing an unprecedented range of threats and diseases, such as Dutch Elm Disease and Ash Dieback, and others which are just emerging, including Sudden Oak Death and Oak Processionary Moth. The impact and prevalence of tree diseases is exacerbated by threats such as climate change. These factors have the potential to alter radically the appearance of the landscape, to reduce biodiversity, and to impose large costs on landowners, organisations and private individuals. A lack of training in recognising, understanding and treating tree diseases as a major issue.

Peter Sowerby Foundation match funding was given for the construction of the UK's first training and education centre for tree health. The Peter Sowerby Tree Health Centre will be a centre of excellence in training to address the lack of skills, capability and capacity in tree health and biosecurity that is a threat to productivity, economic growth and biodiversity at regional and national level in the UK.

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Trustees' report (continued)

Year ended 30 September 2019

Financial review

Overview

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 2019 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 £810,663 (2018: £1,107,397) and donations of £612,828 (2018: £nil) from which grants were awarded of £1,631,989 (2018: £577,889). The charity had a deficit before revaluations of £558,558 (2018: surplus of £130,230). At the year end the market value of the investments had risen giving rise to an unrealised revaluation gain of £893,902 (2018: £5,080,042). The net movement in funds for the year was £106,157 (2018: £1,607,579). Total funds carried forward at 30 September 2019 were £38,492,054 (2018: £38,385,897).

Results for the year

The market value of the Foundation's financial investments at the end of September 2019 (which excludes bank deposit balances) was £37,669,468 (2018: £34,177,279), an increase of £2,879,321 after market movements, grants made, fees and operational expenses, excluding donations made. There were no significant changes in the Foundation's investment objectives, constraints or policies in the course of the year, although these are regularly reviewed.

Reserves policy and financial position

Reserves policy

As at 30 September 2019, the Foundation holds reserves of £38,492,054, of which £37,669,468 have been invested for the longer term to provide a return for the Foundation in future years. Remaining total 'free' unrestricted reserves total £822,586. It is the trustees' policy that unrestricted funds which have not been designated for a specific use should be maintained in free reserves at a minimum level of the value of all forward grant commitments payable in the following eighteen months. The level of free reserves held at 30 September 2019 was in excess of this level, with the forward grant commitments for 24 months being £2,319,688, being covered by cash held of £3,145,833. The trustees consider that reserves at this level enable the Foundation to maintain its level of desired activities in the event of a significant reduction in income. The policy is reviewed regularly by the trustees.

Financial position

The balance sheet of the Foundation shows unrestricted funds as at 30 September 2019 of £38,492,054 (2018: £38,385,897). Whilst the impact of Covid 19 on investment values since the year end has resulted in volatility, the underlying values have recovered to their year end levels as we finalise these financial statements.

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.

However, in 2019 the trustees made an exception to this policy with the launch of the charity's first Open Call for projects under its new Healthcare Breakthrough Fund. It is envisaged that further Open Calls for the Healthcare Breakthrough Fund will be held from time to time, although there are no plans at present to work to a fixed timetable on these. Other than these occasional open calls, the charity will continue to operate on a solicitation only basis for its grants.

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Trustees' report (continued)

Year ended 30 September 2019

Intellectual Property policy

Trustees reviewed their approach to intellectual property deriving from projects funded by the Foundation. It was agreed that with immediate effect the trustees would 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 would the Foundation agree to negotiate a commercial dispensation in relation to IP; however, it would be incumbent on the grant holder to satisfy the trustees that their method will achieve public benefit more effectively than a public domain approach.

The intellectual property policy has been included in the Foundation's suite of template grant agreements which were updated during the year with the support of the charity's legal advisors.

Investment policy

During the reporting period, management of the charity's investments was delegated to Quilter Cheviot Ltd and Seven Investment Management LLP under discretionary agreements, with independent investment consultancy provided to the trustees by Aspinalls Family Office LLP. The 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 aim of the strategy is to achieve the trustees' target return, taking into account current market conditions. During the year, the trustees adopted a 'total return' strategy for the investment portfolio and adjusted the balance of cash and equity holdings. Fixed interest investments and equities are the principal instruments held, but other asset classes may be used. There are presently no ethical or environmental restrictions currently 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.

Towards the end of the reporting period, the trustees held a comprehensive review of their investment managers, with the support of their investment consultants. This resulted in the appointment of two new managers in the following financial year - Sparrows Capital and Psigma Investment Management – with Quilter Cheviot Ltd retaining the management of a proportion of the charity's investments. Seven Investment Management LLP ceased management of the Foundation's investments in late 2019.

Communications policy

During the reporting year the trustees reviewed the Foundation's communications and as a result agreed that its website should be refreshed. Work to develop a new website began in summer 2019, led by the Foundation's Senior Administrator with support from a web development agency, Creative Concern, and the Foundation's grant advisers Cause4. The new website was published in April 2020.

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Trustees' report (continued) Year ended 30 September 2019

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. David is also founder and Executive Chairman of Aspinalls, an advisory firm delivering personal financial planning and wealth management services to private clients. He is a trustee of the National Youth Choirs of Great Britain as well as acting as executor and trustee to many clients, their trusts and charities.

Dr Carole Longson

Carole was Chief Scientific Officer at The Association of the British Pharmaceutical Industry until April 2020. She was previously Director of the Centre for Health Technology Evaluation at NICE. She contributes to a number of international policy forums, including the WHO advisory group on Priority Medical Devices and the Scientific Committee of the Innovative Medicines Initiative. She is Honorary Professor of Health Technology Assessment at the University of Manchester.

Mrs Sara Siegel Poullos

Sara is a lead partner in Deloitte's Healthcare Strategy practice and has worked with the NHS and the Department of Health for the last eleven years on major policy implementations. Sara leads Deloitte's analytics work for healthcare including the dashboards they provide nationally to the NHS providing data on workforce metrics and quality performance at an organisational level.

Dr David L Stables

David has over 25 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 from 1987 to 1991 alongside Dr Peter Sowerby. Together they developed the patient records management software that subsequently formed the basis of the business of EMIS.

David is a Trustee of the Endeavour Health Charitable Trust whose objectives are to enable the design of, and research the effectiveness of, new forms of healthcare information technology and healthcare provision with particular emphasis on patients as users of IT.

Aspinalls Fiduciary Ltd

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.

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Trustees' report (continued) Year ended 30 September 2019

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 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 are obtained as required from the charity's professional advisers, including investment managers, solicitors and accountants. During the reporting period, the Foundation took on its first member of staff on a part-time basis, to whom the day to day management of the charity's affairs, along with the implementation of its policies, is delegated. The member of staff was employed via a secondment agreement with Aspinalls Family Office, to whom the Foundation paid a monthly fee. Having satisfied themselves that the Foundation required a permanent member of staff, the trustees took on the direct employment of a part time Senior Administrator to the Foundation from 1 October 2019.

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, which is mitigated through the use of professional investment managers who report regularly to the trustees.

Plans for future periods

Aside from the Covid-19 relief fund (see page 3) and the ongoing work resulting from the Foundation's call for projects covered above, the direction of its giving is expected to be unchanged during 2020/21 and beyond.

Following the death of Dr Sowerby in late 2019, the Foundation was assigned funds in excess of £12million from his estate during June 2020. The trustees are advised that further donations will be made in due course. These funds will be invested along with the Foundation's existing assets to generate income to fund future giving.

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Trustees' report (continued) Year ended 30 September 2019

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 Designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by the trustees on 18 June 2020 and signed on their behalf by:



Mr D B H Aspinall, Chair

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Statement of trustees' responsibilities Year ended 30 September 2019

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 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 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.



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 2019 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 2019 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

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.



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

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 auditor's 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.

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.

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 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 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.

A handwritten signature in black ink that reads "Anne Hallowell".

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

Chartered Accountants
Newcastle upon Tyne

18 June 2020

Peter Sowerby Foundation

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) Year ended 30 September 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Donations	2	612,828	612,828	-
Investments	3	810,663	810,663	1,107,397
Total income		1,423,491	1,423,491	1,107,397
Expenditure on:				
Investment management costs		167,969	167,969	192,295
Charitable activities	4	1,814,110	1,814,110	784,872
Total expenditure		1,982,079	1,982,079	977,167
Net gains/ (losses) on investments		664,745	664,745	1,477,349
Net movement in funds		106,157	106,157	1,607,579
Reconciliation of funds:				
Total funds brought forward		38,385,897	38,385,897	36,778,318
Net movement in funds		106,157	106,157	1,607,579
Total funds carried forward		38,492,054	38,492,054	38,385,897

The notes on pages 18 to 28 form part of these financial statements.

Peter Sowerby Foundation

(A company limited by guarantee)

Balance sheet

As at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	11,952	-
Investments	8	39,041,645	39,242,172
		<u>39,053,597</u>	<u>39,242,172</u>
Current assets			
Debtors	9	12,893	260,302
Cash at bank and in hand		1,773,656	922,544
		<u>1,786,549</u>	<u>1,182,846</u>
Creditors: amounts falling due within one year	10	(1,398,487)	(885,439)
		<u>388,062</u>	<u>297,407</u>
Net current assets		<u>388,062</u>	<u>297,407</u>
Total assets less current liabilities		<u>39,441,659</u>	<u>39,539,579</u>
Creditors: amounts falling due after more than one year	11	(949,605)	(1,153,682)
		<u>38,492,054</u>	<u>38,385,897</u>
Total net assets		<u>38,492,054</u>	<u>38,385,897</u>
Charity funds			
Restricted funds	12	-	-
Unrestricted funds	12	38,492,054	38,385,897
		<u>38,492,054</u>	<u>38,385,897</u>
Total funds		<u>38,492,054</u>	<u>38,385,897</u>

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 18 June 2020 and signed on their behalf by:

Mr D B H Aspinall
Chair



Company registered number: 08492424

The notes on pages 18 to 28 form part of these financial statements.

Peter Sowerby Foundation

(A company limited by guarantee)

Statement of cash flows Year ended 30 September 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(1,425,699)	(1,059,773)
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	810,663	1,107,397
Purchase of intangible assets	(11,952)	-
Proceeds from sale of investments	6,041,917	25,090,295
Purchase of investments	(4,563,817)	(24,903,172)
	<hr/>	<hr/>
Net cash provided by investing activities	2,276,811	1,294,520
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	851,112	234,747
Cash and cash equivalents at the beginning of the year	922,544	687,797
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,773,656	922,544
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 28 form part of these financial statements

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 30 September 2019

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 2015), 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 members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £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 18 months. Despite the volatility in the investment market since the year end, investment values have recovered to be comparable with their levels at the balance sheet date and consequently 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.

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 2019

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, and settlement is probable. 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.

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 2019

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 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 2019

1. Accounting policies (continued)

1.13 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.

Estimates within these financial statements include the rate applied to discount grant liabilities payable. The initial liability recognised is based on actual amounts awarded, but where an award is to be paid out over a number of years, this value is discounted based on expected future cash outflows. The rate applied is based on the current rate of inflation. This estimate is not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

In preparing these financial statements the directors do not consider there were any significant 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 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	612,828	612,828	-

3. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Dividend income	706,192	706,192	1,050,036
Interest on investments	104,471	104,471	57,361
	<u>810,663</u>	<u>810,663</u>	<u>1,107,397</u>
Total 2018	<u>1,107,397</u>	<u>1,107,397</u>	

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2019

4. Analysis of expenditure by activities

	Grant giving 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Grants awarded	1,641,024	161,086	1,802,110	784,872
Grant administration	12,000	-	12,000	-
	<u>1,653,024</u>	<u>161,086</u>	<u>1,814,110</u>	<u>784,872</u>
Total 2018	<u>668,638</u>	<u>116,234</u>	<u>784,872</u>	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Grants awarded (note 7)	1,631,989	577,889
Grant administration	12,000	-
Interest on discounting	9,035	90,749
Total 2019	<u>1,653,024</u>	<u>668,638</u>

The trustees consider that all grants awarded support the objects of the Foundation.

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 30 September 2019

4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Professional fees in support of grant programme	79,683	67,107
Administration and other professional fees	71,726	38,243
Sundry costs	1,577	2,784
Auditor's remuneration	7,200	7,200
Auditor's non-audit costs	900	900
	161,086	116,234

During the year, Aspinalls Family Office LLP recruited a Senior Administrator to the Foundation on behalf of the trustees. The Senior Administrator was seconded to the Foundation from October 2018.

The trustees received no remuneration in either year.

Expenses totalling £381 were paid to 1 trustee (2018: £346 to 1 trustee).

5. Intangible assets

	Website £
Cost	
Additions	11,952
At 30 September 2019	11,952
Net book value	
At 30 September 2019	11,952
At 30 September 2018	-

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2019

6. Reconciliation of grants payable

	2019 £	Total funds 2019 £	Total funds 2018 £
Accrued as at 1 October 2018	2,010,937	2,010,937	2,107,733
Grants awarded in the year	1,631,989	1,631,989	577,889
Grants paid in the year	(1,332,273)	(1,332,273)	(765,434)
Interest released on discounting	9,035	9,035	90,749
Accrued at 30 September 2019	2,319,688	2,319,688	2,010,937

7. Grants awarded in the year

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Action for Stammering Children	-	-	26,900
AESOP	-	-	37,617
Autistica	79,744	79,744	-
Crohn's and Colitis UK	38,175	38,175	-
Bradford Literature Festival	87,381	87,381	-
Economist Educational Foundation	24,300	24,300	-
EMR4DW	25,000	25,000	-
HelpForce Community Trust	-	-	99,960
Kew Foundation	-	-	223,790
Marsden Jazz Festival	-	-	23,964
National Youth Choirs of Great Britain	24,500	24,500	-
National Youth Jazz Orchestra	93,019	93,019	-
Sheffield Hospitals Charity	177,276	177,276	117,557
Snape Maltings	24,834	24,834	-
Spare Tyre Theatre Company	-	-	21,500
Target Ovarian Cancer	338,300	338,300	-
University of Strathclyde	496,060	496,060	-
Wild Rumpus	23,400	23,400	-
Yorkshire Aboretum	200,000	200,000	36,610
Grants to be refunded	-	-	(10,009)
Total 2019	1,631,989	1,631,989	577,889

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2019

8. Fixed asset investments

	Listed investments £	Cash £	Total £
Cost or valuation			
At 1 October 2018	34,177,371	5,064,893	39,242,264
Additions	4,563,817	-	4,563,817
Disposals	(1,965,622)	(3,692,716)	(5,658,338)
Revaluations	893,902	-	893,902
At 30 September 2019	37,669,468	1,372,177	39,041,645
Net book value			
At 30 September 2019	37,669,468	1,372,177	39,041,645
<i>At 30 September 2018</i>	<i>34,177,371</i>	<i>5,064,893</i>	<i>39,242,264</i>

9. Debtors

	2019 £	2018 £
Due within one year		
Prepayments and accrued income	12,893	260,302
	12,893	260,302

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 30 September 2019

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Grants awarded but not yet paid	1,370,083	857,255
Accruals and deferred income	28,404	28,184
	<u>1,398,487</u>	<u>885,439</u>

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

	2019 £	2018 £
Grants awarded but not yet paid	949,605	1,153,682

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements Year ended 30 September 2019

12. Statement of funds

Statement of funds - current year

	Balance at 1 October 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2019 £
Unrestricted funds					
General funds	<u>38,385,897</u>	<u>1,423,491</u>	<u>(1,982,079)</u>	<u>664,745</u>	<u>38,492,054</u>

Statement of funds - prior year

	Balance at 1 October 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2018 £
Unrestricted funds					
General funds	<u>36,778,318</u>	<u>1,107,397</u>	<u>(977,167)</u>	<u>1,477,349</u>	<u>38,385,897</u>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<u>106,157</u>	<u>1,607,579</u>
Adjustments for:		
Gains on investments	(664,745)	(1,477,349)
Dividends, interests and rents from investments	(810,663)	(1,109,397)
Decrease in debtors	247,409	19,489
Increase/(decrease) in creditors	308,971	(100,095)
Donated investments	(612,828)	-
Net cash used in operating activities	<u><u>(1,425,699)</u></u>	<u><u>(1,059,773)</u></u>

Peter Sowerby Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 30 September 2019

14. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,773,656	922,544
Total cash and cash equivalents	1,773,656	922,544

15. Related party transactions

Trustee Mr D Aspinall is a Member of Aspinalls Family Office LLP, to which the charity paid £187,684 (including £36,000 for secondment of the Senior Administrator) (2018: £149,767), for professional fees relating to the provision of financial planning, book keeping, grant administration and payments, office facilities, room hire, and general administration during the period. Aspinalls Family Office LLP also provides independent investment consultancy to the trustees.

Mr D Aspinall in his capacity as trustee was reimbursed for trustee expenses in the year totalling £382 (2018: £346).

During the year a grant of £24,500 (2018: £nil) was awarded to the National Youth Choirs of Great Britain, a charity of which Mr D Aspinall is a trustee.

At the balance sheet date, £15,516 (2018: £16,500) was due to Aspinalls Family Office LLP and £291 (2018: £nil) was due to Mr D Aspinall in relation to trustee expenses, both included within creditors.

16. Post balance sheet events

During the period from the balance sheet date through to June 2020, the impact of the Covid 19 pandemic has had an adverse effect on the value of listed investments which represent the majority of the Foundation's assets. However, by mid June the values of the assets had recovered to only fractionally below the year end position. The investments are held for the long term to generate future income for the Foundation and the Foundation held sufficient cash to support its operations during the period of the market volatility. Consequently, the Trustees do not consider that the Foundation has been unduly impacted by the current crisis.