

ALEX FERRY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
(A COMPANY LIMITED BY GUARANTEE)

ALEX FERRY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M R Evans (Chair of the Board and Independent Member) T Griffiths (Lay Member) S G Hibbert (Lay Member) D M Holland (CSEU Member) R A Holmes (Lay Member) A J McDiarmid (CSEU Member) D S McPhee (Lay Member) R Murdoch (CSEU Member) J F Rowse (Subscriber) H Scullion (Subscriber) C Stevenson (Lay Member)
Executive Director	I Waddell
Charity number	1179847
Company number	11145243
Registered office	10 Salamanca Place Vauxhall London SE1 7HB United Kingdom
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Unity Trust Bank Plc Four Brindleyplace Birmingham B1 2JB
Legal advisors	Bates Wells 10 Queen Street Place London EC4R 1BE United Kingdom
Investment Fund Managers	W H Ireland Limited 24 Martin Lane London EC4R 0DR

ALEX FERRY FOUNDATION

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ALEX FERRY FOUNDATION

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

It is a great privilege to be appointed the independent Trustee and Chair of this new Foundation. We have worked hard through our first year of operation (2019) to establish the appropriate internal policies, procedures, governance oversight and grant making priorities.

The Alex Ferry Foundation (the Foundation) aims to improve the lives of people who work or have worked in the UK shipbuilding, engineering and related manufacturing industries, as well as their families and dependents. The Foundation was created with the assets of a trust fund established in 1989 by the CSEU to provide financial support to workers in the UK shipbuilding and engineering industries and related manufacturing industries who were then engaged in a successful industrial action to secure a shorter working week. Alex Ferry led this action.

We wish to direct the resources of the Foundation to improve both individual wellbeing (people living well) and social wellbeing (people living well together) of our beneficiaries across the jurisdictions of the UK.

The Alex Ferry Foundation was incorporated on 11 January 2018 as Alex Ferry Limited and was registered as a charity with the Charity Commission on 7 September 2018. In 2019 the Board changed our name to the Alex Ferry Foundation with the approval of the Charity Commission. The effective date for the commencement of the Foundation was 24 December 2018.

The Articles of Association of the Foundation were approved during the High Court Hearing to transfer the funds to the Alex Ferry Foundation and have been adopted by the Board.

The Board aim to foster partnerships, collaboration and trust, including amongst unusual friends. A number of different approaches and activities are needed to achieve our mission and we have the laid critical foundations to make progress. This year was one in which we agreed the framework for our future activity over the next three years. We had drafted and agreed by the Board all the detailed policies and procedures a philanthropic foundation requires to act effectively and stay with the spirit and details of both company and charity law. This is not an easy process and we have benefited from the advice and support of Thea Longley, Partner Charity & Social Enterprise Department at Bates Wells solicitors.

In August we presented the 2020 - 2022 Strategic Plan which the Board discussed and agreed. This Plan will form the basis of the grants and research decisions of the Board of Trustees over that period.

2020 will be the year in which we start to implement the ambitions in the Strategic Plan and fund a wide range of activity. We hope by the end of the three-year period the Foundation will have significant impact to report on and will have made an important contribution to improving the lives of our beneficiaries, their families and their communities.

- We will promote our mission through grant making to support local communities and research to influence public opinion and policy.
- We will work to bring the philanthropic Foundation sector closer to the trade union movement, recognising both as key players in maintaining an effective and dynamic civil society.

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CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

- We will want to bring the beneficial civil society role of trade unions to greater public attention.
- We will work for the benefit of workers, former workers and their families in UK shipbuilding engineering and related manufacturing industries.

Outcomes are the changes we want to see across the UK. The Board have set two high level outcomes to give us clarity about what we are trying to do, help us track our progress, and enable us to improve and have impact.

1. Everyone lives in a safe and supportive community.
2. Everyone who wants to work has access to 'good work'.

Good work can be measured by a number of factors and these include: voice and autonomy, good pay, overall worker satisfaction, participation and progression, equality, safety and security.

We have deliberately kept our first Strategic Plan as short, straightforward and clear as possible. We are learning all the time about how best to deliver the objectives of the Foundation. The Board will keep our Strategic Plan under regular review over this period.

We initiated and chaired a process to re-write our portfolio investment policy and to review, advertise for and appoint experienced charity investment managers. We are very grateful to Sailesh Mehta Partner and Head of Not-for-Profit at HW Fisher for his invaluable advice during this period. We appointed Rathbones and we have worked closely with our new investment managers in anticipation of the transfer of the portfolio to their management. My thanks to Alex Dow Investment Director at Rathbones for his professional advice and guidance.

We have worked closely with John Rowse (Chair of the Retention Fund) to align completely the investment policy and investment manager of the Foundation with that Fund. The 35 Hour Week Support Fund is now called the 'Retention Fund' and all its assets will pass to the Alex Ferry Foundation by 2022. We have benefited enormously from John Rowse's advice and deep knowledge of the trade union movement and the history of the development of the Alex Ferry Foundation.

In June we reported progress on the establishment of the Foundation via our first Newsletter No 1. Julia Unwin CBE (Chair of the Independent Inquiry into Civil Society and former Director of the Joseph Rowntree Foundation) gave us a very generous welcome. "The launch of the Alex Ferry Foundation is a really welcome development. It has the potential to be 21st century philanthropy at its best."

My very sincere thanks to Lucy Boyd LBD Creative for her work with me on the development and design of this Newsletter. Thanks also to Janine Stromberg, who designed our new logo, especially as a new logo is always a significant challenge. Our proposed new logo was reviewed and unanimously approved by the Board along with the strapline 'Community Industry Technology'.



ALEX FERRY FOUNDATION

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FOR THE YEAR ENDED 31 DECEMBER 2019

We commissioned a short biography of Alex Ferry for the website and for those who might have an interest in the person the Foundation was named after. My sincere thanks to Liz Macdonald for researching and drafting the document. It is on our website at:

<https://www.ferryfoundation.org.uk/history>

We worked at considerable pace with Liz Pepler from Community Counts to develop an appropriate set of Community Grants procedures and policies from scratch. Liz was an outstanding colleague and my very sincere thanks to her. These policies were agreed at the November Board meeting.

The August Board reviewed and agreed the proposed approach to research grants. We are very grateful to Des McNulty (Assistant Vice Principal - Economic Development and Civic Engagement at the University of Glasgow) for his knowledgeable and practical support in linking the academic community with the Foundation. We planned an Alex Ferry Foundation evidence roundtable at the TUC, which took place in early 2020. Paul Nowak (Deputy General Secretary) has been a consistent and strong supporter as we have developed the Foundation through its first year.

The Foundation will use a variety of methods to achieve its research and policy objectives. These include:

- Roundtables
- Lectures
- Think pieces
- Overview papers on a topic
- Investigatory visits
- Commissioned Research
- Commissioned blogs

The CSEU has a concern over the impact of welding fume in its related industries. They will focus on current workers and the Foundation on previous workers on the issue of health damage from welding fume. The Board agreed to sponsor up to 10 conferences on welding fume to be organised with the CSEU and their District Committees. It was a privilege to attend the first conference in Glasgow organised by Kenny Jordan, a Unite and Scottish CSEU official and colleague. It was a very successful event. Kenny Jordan, John Brown (GMB) and I followed that up with discussions with NHS Scotland. There is a briefing note on welding fume on the AFF website.

The Board appointed a Deputy Director Keiran Goddard in December 2019. Keiran is our first full time member of staff and he will play a key role as part of the executive team we have built to implement our plans. At the end of the year we published our funding guidelines and are in a position then to award a number of grants in 2020.

ALEX FERRY FOUNDATION

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

I would like to thank the Board for their work over the year in establishing these systems required to have effective oversight of the Foundation and to direct its policy on grant making. My thanks also to Ian Waddell and Ngozi Ojike who each offer half of their time from their roles in the CSEU to support the development of the Foundation as Director and Administrator respectively.



Martyn Evans

Dated: 12 May 2020

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and financial statements for the year ended 31 December 2019.

Public benefit

In making our decisions about public benefit and all activities of the Foundation we have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Articles of Association, the Companies Act 2006 and "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)".

Incorporation and governing document

Alex Ferry Limited was incorporated on 11 January 2018 as a private company limited by guarantee with no share capital under the company registration number 11145243. The company was registered with the Charity Commission on 7 September 2018 under the charity registration number 1179847. On 14 May 2019 the company changed its name to Alex Ferry Foundation. The Foundation is governed by its Articles of Association.

Administrative details

Details of the legal and administrative information in relation to the Foundation are set out at the front of the financial statements. These details include the Trustees of the Foundation as well as the organisations providing banking services, investment advice, legal advice and audit services.

Objectives and activities

The Alex Ferry Foundation has the following aims and objectives as laid out in our registration document with the Charity Commission. The Foundation's objects are specifically directed to the following activities for their beneficiaries:

- The relief of financial hardship/poverty.
- The promotion of education and/or training.
- The carrying out and publishing of research.
- The carrying out and publishing of research into ways in which the quality of life of workers in the UK shipbuilding and engineering industries and in related manufacturing industries, might be improved, including their work/life balance.
- The relief of sickness and the preservation of health.

The Trustees have set out how these objectives will be achieved in their Strategic Plan 2020 - 2022.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees

The Trustees meet at least five times in any calendar year and discuss progress, strategy and future plans. All key decisions affecting the Foundation are agreed at these meetings. The day-to-day management of the Foundation is delegated by the Trustees to Ian Waddell as Director working with the Chair Martyn Evans. The Foundation works closely with the Confederation of Shipbuilding & Engineering Unions ("CSEU") and shares staff and premises resources with that body.

The Trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were as follows:

These two Trustees are appointed 'subscribers' to the Article of Association. They were appointed to oversee the election and appointment of the CSEU Members, the Lay Members and thereafter the Independent Member:

J F Rowse
H Scullion

These three Trustees were appointed by the CSEU Executive in September and December 2018:

D M Holland
A J McDiarmid
R Murdoch

These five Trustees were elected by a Special Delegate Conference of lay delegates of the CSEU in London on 17 October 2018:

T Griffiths
S G Hibbert
R A Holmes
D S McPhee
C Stevenson

A national recruitment exercise was undertaken to identify and appoint an Independent Trustee who would act as Chair of the Board of Trustees. That appointment took place on 18 December 2018. That Trustee started work with the Foundation in January 2019.

M R Evans

The manner of appointment of Trustees is set out in the Articles of Association. The Foundation has arranged training for the Trustees in relation to charity governance, financial matters and other topical issues relevant to the charitable sector.

None of the Trustees has any beneficial interest in the Foundation. All the Trustees are members of the Foundation and guarantee to contribute £10 in the event of a winding up. The Foundation maintains liability insurance on behalf of the Foundation's Trustees should any legal action be brought against them.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Activities

The Board set out the priorities for the Director Ian Waddell to achieve over 2019 and 2020. These are:

- Develop a grant management and portfolio management system appropriate for the Foundation's stage of development and its intended social impact.
- Ensure the Foundation is, and is seen to be, compliant with the relevant regulatory framework.
- Keep the staffing level and skills under review and ensure the staffing can deliver the Strategic Plan.
- Develop the Foundation website.
- Develop social media communication through Facebook for beneficiaries and Twitter for wider stakeholders.
- Ensure the financial and procurement procedures and policies of the Foundation are proportionate, complied with and reviewed.
- Ensure the annual expenditure is within the approved annual budgets.
- Ensure that our work is for the benefit of workers, former workers and their families in UK shipbuilding engineering and related manufacturing industries.

Strategy

The Board approved a Strategic Plan. We are a new Foundation with a very unusual history and set of beneficiaries. We wish to give significant advantage in our local community grant-making to proposals and ideas from local trade union groups in the relevant unions. We will pro-actively seek out partners to join with us to further the research and policy interests of workers in the shipbuilding and engineering industries. All Exceptional Grants will be initiated by the Board at the recommendation of the Director or a Trustee. We have therefore set a pro-active grant application policy and will review this regularly over 2020 - 2022.

The changes we seek are complex, interconnected and require the input of a wide range of partners. All structural change to political, economic and social systems is brought about by a combination of factors acting on those who are in positions of power. The Foundation seeks to influence the decisions made by institutions and people through:

- a) effective evidence and research.
- b) influencing the barriers which constrain change (e.g. public opinion).
and
- c) amplifying the voices and experience of our beneficiaries and their participation.

Our key values are trust and integrity. We create this trust by making decisions based on thoughtful process and evidence. We want to encourage the sharing of expertise and knowledge. We will act on the things we care about. We want to make a difference. Everything we do is focused on creating meaningful change and impact. We want to use our time and resources effectively because we are always striving for the most enduring changes.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

We will make sure value for money is part of everything we do:

Effectiveness – are we doing the right things?

Efficiency – are we doing things the right way?

Economy – are we doing things at the right cost?

Investments

The Board agreed a new investment policy and reviewed the investment management of its portfolio. The Board has adopted an investment policy of total-return investment. The key elements of the policy are to:

1. Maintain the capital value of the Trust's investments at no less than its real value on 1 January 2019.
2. Generate an income (from the investments, capital growth and reserves) to meet the planned annual expenditure.
3. The reserves may be used over the period to stabilise income shortfalls.

The Board reviewed and agreed its investment policy. It agreed that investment policy with the Trustees of the Retention Fund. The two sets of Trustees then embarked on a structural review of investment manager asset allocation and performance. There was a competition inviting experienced charity investment managers to submit proposals to on the future investment management of the portfolios of both the Foundation and the Retention Fund. The existing managers were also invited to put forward a proposal. After a series of interviews Rathbones were chosen as the investment managers of both the Foundation and the Retention Fund. The transfer of the investment portfolios to Rathbones took place in 2020.

Grants

The Foundation will develop two grant funding streams. Firstly, a community grant scheme, involving proposals and ideas from CSEU committees and branches, working hand in hand with local charities, Foundations and voluntary organisations. Secondly a targeted research/policy programme. We will focus on individual and social wellbeing in the places that people live and also people at work.

Our research/policy grant scheme will also focus on the ways in which the quality of life and wellbeing of workers and former workers and their families in the relevant industries may be improved. The Board reserves the right to offer exceptional grants that do not fit these two funding streams.

The Board may award strategic Exceptional Grants to support the following activities in exceptional circumstances. The lawful charitable purpose for these grants must be made explicit. Campaigning, lobbying, or general awareness raising work that provides legal advice specifically to support court action.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

We plan to position the Foundation, nationally and internationally, as a centre for reflection and debate in delivering its mission in partnership with the other Foundations as well as the trade union movement, think tanks and places of further and higher education. We want to advance, through research, the understanding of the relationships between good work and wellbeing. These Grants will normally be initiated by the Foundation when we approach a potential partner to work with the Foundation on a particular issue.

The Alex Ferry Foundation will pay particular regard to applications for Community Grants which are likely to benefit workers, former workers and their families in the UK shipbuilding, engineering and related manufacturing industries. The Foundation has chosen to work closely with CSEU District Committees in identifying which Community Grants to fund. District Committees are established across the UK. They are the local or regional focus for Confederation of Shipbuilding and Engineering Union affiliated unions in the relevant industries. District Committees can identify charitable projects that reflect both their local priorities and our Strategic Plan and objectives. District Committees can then submit to the Foundation Community Grant proposals they wish to 'sponsor'. We will allocate Community Grants based on these submissions.

The Board agreed the detailed process and policy for Community Grant making and identified 5 areas to pilot the Grants. Grants will be for between £500 to £10,000 and have to be sponsored by the local CSEU District Committee in a pilot area and the final decisions on grants will rest with the Board. The pilots will run from January 2020 to May 2020 and then be reviewed. The areas are:

1. North West of England (Blackburn, Manchester and Merseyside).
2. East Midlands of England (Derby and Nottingham).
3. South West of England (Falmouth & Devonport).
4. Scotland.
5. Northern Ireland.

The Foundation will award Community Grants that are effective in:

- bringing people together and building strong relationships in and across communities.
- improving the places and spaces that matter to communities.
- enabling more people to fulfil their potential by working to address issues at the earliest possible stage.
- involving the local community in the design, development and delivery of the grant receiving planning.

The Foundation offers research grants. The Board wishes to be pro-active in funding research and policy topics. The Foundation has undertaken the development of research and policy with partners who are identified by the Foundation. The Foundation will not normally issue general calls for funding. This approach is consistent with our Strategic Plan 2020-2022. The Board now have a clear and pro-active annual research plan.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Research Grants in 2019 included:

- An award to Blake Stevenson for a literature review of trade union member involvement on public civil society Boards - a key interest of Alex Ferry.
- A grant to the Ella Baker School of Organising for consultancy support in the development of their strategic plan.
- A grant to Professor Alan McKinlay at University of Newcastle for a policy paper on lessons learned from AI and Engineers.
- A grant to Professor Trevor Taylor at the Royal United Services Institute to examine warship job losses and their implications.
- The Board also approved a grant in principle for policy work on a shorter working week to be developed by a progressive policy think-tank.

At the August 2019 Board meeting approval was given for a grant to organise a seminar with the TUC and ACF (Association of Charitable Foundation) to explore the mutual interests of the members of these two membership bodies and interests in research and policy.

The Board is also able to offer exceptional grants under its Strategic Plan. We offered such a grant to former employees of Harland & Wolff in Belfast. Workers at the shipyard in Belfast faced severe financial hardship when their company went into administration in August. The Alex Ferry Foundation grant (given on condition there was also a substantial financial contribution to the workers for their trade union) was used to ensure the household income of each worker reached the Living Wage threshold.

The workers were allowed by the administrators to remain on the premises to maintain and secure the plant while a buyer was sought. The Foundation and trade union grants were instrumental in allowing workers to undertake these duties while not receiving any wages or benefits (as they were not available for work elsewhere). Ian Waddell Director of the Foundation presented our grant at an event in Belfast. The grants were administered on behalf of the Foundation by the H&W Benevolent Fund. After nine weeks, a new buyer was found for the yard and the jobs were saved.

Financial review

The Foundation received a charitable donation of £14.395 million from the CSEU 35 Hour Week Support Fund (now The Retention Fund). This donation was in the form of an in-specie transfer of listed investments. As at 31 December 2019 this investment portfolio had a value of £16.395 million.

As set out in the Court Order the Retention Fund has retained £10.379 million in fund to meet any liabilities of the Trustees of the 35 Hour Week Support Fund. During 2020 the Trustees of the Foundation and the Retention Fund discussed how to provide an indemnity to meet any liabilities of the 35 Hour Week Support Fund. Alex Ferry Foundation will seek to have that Retention Fund transferred to the Foundation and in return will offer to indemnify the Trustees of the 35 Hour Week Support Fund against any liabilities they are properly entitled to.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy

As part of their strategic planning during the year the Trustees have determined a basis upon which they wish to maintain the capital value of the funds donated to the Foundation. The Trustees have formulated a reserves policy for the Foundation for the future. The Foundation will seek to build a reserve that is separate for the investment portfolio equivalent to six months running costs

Investment policy and performance

A new investment policy statement and guidelines were considered and approved by The Board. The Retention Fund Trustees were fully involved in the consideration of the policy and have agreed to approve it and adopt it as their own.

Fundraising

The Foundation has not carried out any fundraising activities.

Risk management

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risk faced by the Foundation is the performance of its investments and ensuring the maintenance of its capital value and protection of its income. The risk is managed with the support of investment managers and the regular review of investment performance and on-going market updates and due diligence. The view was taken that our investments were too narrowly invested and the Foundation would benefit from a far greater diversity of its investments and the management by an experienced charity investment manager.

The Trustees are mindful of ensuring that any reputational risks to the Foundation are mitigated.

Grant policy

The Trustees will pay due regard to guidance issued by the Charity Commission in deciding what activities to undertake. As a new Foundation with limited staff resources, the Trustees have decided that they will not offer grants to individuals. They will instead concentrate on offering grants to charitable projects that fulfil the aims and objectives of the Foundation. The details of the grant making strategy are contained in the Trustees' report and Strategic Plan.

The Foundation will also work with other organisations including other charities, benevolent funds, foundations and research bodies to identify and deliver national campaigns and projects related to its aims and objectives.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' Report was approved by the Board of Trustees on 12 May 2020 and signed on its behalf by:



M R Evans

(Chair of the Board and Independent Member)

ALEX FERRY FOUNDATION

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees, who are also the directors of Alex Ferry Foundation for the purpose 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 which give a true and fair view of the state of affairs of the and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ALEX FERRY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ALEX FERRY FOUNDATION

Opinion

We have audited the financial statements of Alex Ferry Foundation for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 31 December 2019 and of its incoming resources and application of resources, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees' are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

ALEX FERRY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ALEX FERRY FOUNDATION

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <http://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saalesh Mehta (Senior Statutory Auditor)

for and on behalf of HW Fisher

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

HW Fisher is eligible for appointment as auditor of the by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

ALEX FERRY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £'000s	Unrestricted funds 2018 £'000s
	Notes		
<u>Income from:</u>			
Donations and legacies	3	-	14,395
Investments	4	608	-
		<hr/>	<hr/>
Total income		608	14,395
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	5	91	-
		<hr/>	<hr/>
Charitable activities	6	294	11
		<hr/>	<hr/>
Total resources expended		385	11
		<hr/>	<hr/>
Net gains/(losses) on investments	11	1,419	245
		<hr/>	<hr/>
Net movement in funds		1,642	14,629
		<hr/>	<hr/>
Fund balances at 1 January 2019		14,629	-
		<hr/>	<hr/>
Fund balances at 31 December 2019		16,271	14,629
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALEX FERRY FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £'000s	£'000s	2018 £'000s	£'000s
Fixed assets					
Investments	12		13,440		14,640
Current assets					
Cash at bank and in hand		2,955		-	
Creditors: amounts falling due within one year	13	(124)		(11)	
Net current assets/(liabilities)			2,831		(11)
Total assets less current liabilities			16,271		14,629
Income funds					
Unrestricted funds			16,271		14,629
			16,271		14,629

The financial statements were approved by the Trustees on12 May 2020



M R Evans (Chair of the Board and Independent Member)

Trustee

Company Registration No. 11145243

ALEX FERRY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019		2018	
	Notes	£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	16		(272)		14,395
Investing activities					
Purchase of investments		(1,130)		(14,395)	
Proceeds on disposal of investments		3,749		-	
Interest received		608		-	
Net cash generated from/(used in) investing activities			3,227		(14,395)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			2,955		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			2,955		-

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Alex Ferry Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Salamanca Place, Vauxhall, London, SE1 7HB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000s.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

As stated in note 15, the Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak is likely to cause some disruption to the Charity's business but does not believe that this will be significant. The Trustees have a reasonable expectation that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained.

1.4 Incoming resources

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.5 Resources expended

Resources expended are recognised in the period to which they relate.

Governance includes the costs of compliance with constitutional and statutory requirements.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	2019	2018
	£'000s	£'000s
Donation received from the 35 Hour Week Support Fund	-	14,395

4 Investments

	Unrestricted funds	Total
	2019 £'000s	2018 £'000s
Investment income	608	-

5 Raising funds

	Unrestricted funds	Total
	2019 £'000s	2018 £'000s
Investment management fees	91	-
	91	-

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Charitable activities

	2019 £'000s	2018 £'000s
Grant funding of activities (see note 7)	35	-
Share of support costs (see note 8)	205	-
Share of governance costs (see note 8)	54	11
	<u>294</u>	<u>11</u>

7 Grants payable

	2019 £'000s	2018 £'000s
Grants to institutions:		
Other	35	-
	<u>35</u>	<u>-</u>

8 Support costs

	Support costs £'000s	Governance costs £'000s	2019 £'000s	Support costs £'000s	Governance costs £'000s	2018 £'000s
Staff costs	103	-	103	-	-	-
Occupancy costs	36	-	36	-	-	-
Legal and professional	47	-	47	-	-	-
Trustee meeting costs	19	-	19	-	-	-
Audit fees	-	20	20	-	11	11
Non - audit fees	-	34	34	-	-	-
	<u>205</u>	<u>54</u>	<u>259</u>	<u>-</u>	<u>11</u>	<u>11</u>
Analysed between Charitable activities	205	54	259	-	11	11

Governance costs includes payments to the auditors of £19,800 (2018: £11,400) for audit fees.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Trustees

M R Evans (Chair of the Board and Independent Member) received remuneration from the Foundation during the year amounting to £15,948 (2018: £nil).

During the year expenses incurred by the Trustees and reimbursed to them amounted to £15,804 (2018: All expenses incurred by the Trustees were met by The 35 Hour Week Campaign Fund).

10 Employees

The number of employees during the year was nil (2018: nil).

Employment costs	2019 £'000s	2018 £'000s
Wages and salaries	15	-
Social security costs	1	-
Staff Re - charged costs	87	-
	<hr/>	<hr/>
	103	-
	<hr/>	<hr/>

The recharged staff costs are from the Confederation of Shipbuilding and Engineering Unions, who provide staffing resources to the Foundation.

11 Net gains on investments

	2019 £'000s	2018 £'000s
Revaluation of investments	510	245
Gain/(loss) on sale of investments	909	-
	<hr/>	<hr/>
	1,419	245
	<hr/>	<hr/>

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Fixed asset investments

	Listed investments £'000s
Cost or valuation	
At 1 January 2019	14,640
Additions	1,130
Valuation changes	510
Disposals	(2,840)
	<hr/>
At 31 December 2019	13,440
	<hr/>
Carrying amount	
At 31 December 2019	13,440
	<hr/>
At 31 December 2018	14,640
	<hr/>

13 Creditors: amounts falling due within one year

	2019 £'000s	2018 £'000s
Other creditors	85	-
Accruals and deferred income	39	11
	<hr/>	<hr/>
	124	11
	<hr/>	<hr/>

14 Related party transactions

A J McDiarmid, R Murdoch, J F Rowse and H Scullion are trustees of Alex Ferry Foundation and are also trustees of the CSEU 35 Hour Week Support Fund, which made a donation of £nil (2018: £14.395 million) in the period to the Foundation.

The Foundation paid £87,250 to the Confederation of Shipbuilding and Engineering Unions in respect of the recharged staff costs as the Confederation provides staffing resources to the Foundation.

The Foundation received £26,000 from the Confederation of Shipbuilding and Engineering Unions in respect of recharged occupancy costs as the Foundation provides accommodation resources to the Confederation.

I Waddell, the Executive Director of the Foundation, is General Secretary of the Confederation. D M Holland, A J McDiarmid and R Murdoch, who are CSEU Member trustees of the Foundation, are members of the Executive Council of the Confederation.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Post balance sheet events

The Trustees have considered the effect of the Covid-19 outbreak. The Trustees recognise the measures to control the outbreak have had a negative impact on the value of the investment portfolio of the Foundation. This has led to a loss of anticipated dividend income for 2020. This in turn may lead to a deficit in the 2020 budget. The Trustees have balanced the budget by taking the following steps:

I: The Trustees have reviewed and reduced (where they consider reasonable) the expenditure budget.

II: They have allocated almost all the free cash reserves of the Foundation to replace income for 2020 keeping £25,000 in reserve.

III: Suspended the Investment Policy of the Foundation for 2020 to allow the Foundation to take an amount from the capital to balance the budget.

IV: Agreed to review the Foundation's operations over the coming months and take a more strategic decision at a Board meeting in November regarding the income and expenditure budgets for the remainder of the Strategic Plan to the end of 2022.

V: The Trustees have ring-fenced the 2020 Community Grant making budget and accelerated the Community Grant making process.

The Trustees have considered the financial uncertainties regarding the Foundation's financial sustainability and consideration of going concern. The Trustees have taken the steps outlined above. They consider the Foundation can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

16	Cash generated from operations	2019 £'000s	2018 £'000s
	Surplus for the year	1,642	14,629
	Adjustments for:		
	Investment income recognised in statement of financial activities	(608)	-
	Gain on disposal of investments	(909)	-
	Fair value gains and losses on investments	(510)	(245)
	Movements in working capital:		
	Increase in creditors	113	11
	Cash (absorbed by)/generated from operations	(272)	14,395
17	Analysis of changes in net funds/(debt)		
	The Charity had no debt during the year.		