

Charity Registration No. 1179847

Company Registration No. 11145243 (England and Wales)

ALEX FERRY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(A COMPANY LIMITED BY GUARANTEE)

ALEX FERRY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J F Rowse (Chair of the Board) D Emerson (Independent Member) T Griffiths (Lay Member) D M Holland (CSEU Member) A J McDiarmid (CSEU Member) D S McPhee (Lay Member) H Scullion (Subscriber) C Stevenson (Lay Member) M Roberts (CSEU Member) M Khan (Lay Member) D Bradbury (Lay Member)	(Appointed 1 January 2023) (Appointed 1 January 2023) (Appointed 1 January 2023)
External Relations Director	I Waddell	
Executive Director	K Goddard	
Finance and Administration Manager	N Ojike	
Charity number	1179847	
Company number	11145243	
Registered office	10 Salamanca Place Vauxhall London SE1 7HB	
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER	
Bankers	Unity Trust Bank Plc Four Brindleyplace Birmingham B1 2JB	
Legal advisors	Bates Wells 10 Queen Street Place London EC4R 1BE	
Investment advisors	Rathbones Investment Management Ltd 8 Finsbury Circus Finsbury London EC2M 7AZ	

ALEX FERRY FOUNDATION

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ALEX FERRY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and financial statements for the year ended 31 December 2022.

Statement from the Chair

The Alex Ferry Foundation was established on 24 December 2018 following the granting of a Court Order releasing funds from the CSEU 35 Hour Week Campaign Fund. It is a registered charity, regulated by the Charity Commission.

The Foundation and its Trustees operate a Community Grants scheme supporting communities identified by Confederation of Ship Building and Engineering Unions (CSEU) districts and regions as causes they wish to support and meet the due diligence requirements of the Foundation. In a similar vein, the Foundation also makes Research Grants to a range of organisations.

The Funds of the Foundation are in two parts, the first being the amount transferred on the day of registration and the second part being the remainder of the Fund (including a Unity Trust Bank plc shareholding) which is retained in the "Retention Fund" for a limited period to deal with any outstanding liabilities that may arise over a fixed period. In due course, this will pass to the Foundation by way of a final transfer as required by the Court Order. This process will occur in September 2023, at which point the "retention fund" will be absorbed wholly into the Foundation, creating one single fund that can be used to further the charitable aims of the organisation.

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 relief of sickness and the preservation of health.
- The promotion of education and/or training.
- 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 Trustees have set out how these objectives will be achieved in their Strategic Plan 2020 - 2022. This strategy will be reviewed towards the end of 2023 in order to establish renewed strategic priorities for the 2023-2026 period of operation.

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 Keiran Goddard as Executive Director who regularly meets with the Chair and Independent Director.

The Foundation continues to work closely with the Confederation of Shipbuilding & Engineering Unions and shares premises and resources with that body.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Activities

The Foundation continues to operate with a small executive team dedicated to ensuring that the organisation delivers on its vital mission to serve workers and former workers within their communities as well as supporting and promoting access to good, secure work, both now and into the future.

Our mission can be seen as running through everything that the Foundation has done over the past year, whether it is in developing research around shorter working time (an issue that, due to the origins of the Foundation, will always be at the heart of everything we do), workers' voice, trade unionism, the just transition, or in our responsive, locally focused funding of communities throughout the UK. But our mission does not begin and end with the grants that we make. We have also been working hard to raise awareness of work-related issues, supporting research profiling the benefits of shorter working time and supporting the Breathe Safe Campaign, for instance, both across and beyond civil society. To this end, we have been active in discussions with researchers, grant-makers and think tanks throughout the course of the year, with the aim of sharing our unique mission as widely as possible and leveraging more interest, finance and support to the cause of 'good work'.

Throughout the period covered by this report, the Foundation has worked hard to be adaptable, attentive and pragmatic in how we meet our charitable aims.

Strategy

The Board has continued to follow the approved Strategic Plan throughout 2022; developing, extending and implementing our local community grant-making programme, driven by ideas from local trade union groups in the relevant unions. In addition, we have developed a wide-ranging and well-respected suite of research grants, looking to influence the debate about the future of work in ways that are relevant to the interests of our beneficiary groups, their wider community and the trade union movement.

During this period, the Foundation has gone from strength to strength; distributing substantial funds through our community grants programme to vital local organisations, supporting a range of high-quality work-related research, and beginning to build strong connections between trade unions, research institutions and civil society more broadly.

The feedback from the organisations we work with has already been inspiring, and we look forward to developing and expanding our grants programmes further throughout 2023.

Investments

The Board continued monitoring its investment strategy. This will include the aim of maintaining the capital value of the Foundation's investments at no less than its real value on the 1 June 2020.

It will also maintain the Board's investment policy of total-return investment. The key elements of the policy are to:

1. Generate an income (from the investments, capital growth and reserves) to meet the planned annual expenditure.
2. The reserves may be used over the period to stabilise income shortfalls.

Achievements and performance

As a grant-making organisation, the Alex Ferry Foundation undertakes no fundraising activity in order to fulfil its charitable aims and objectives, rather they are discharged via our two primary programmes as outlined below in the 'grants' section of this document. This grant-making is funded via income derived from our funding, in-line with the investment policy also detailed herein.

While there was some underspend relative to our stated ambition within the community grants programme, the executive and board are taking measures to ensure that this underspend will be distributed in-line with our strategic objectives over the coming months. The research grant programme experienced fewer operational disruptions and was distributed in full and on time. On an individual level, the Foundation requires each grantee to report progress six months after receiving a grant and then again upon the completion. This reporting requires grantees to identify the outcomes and outputs of the grant against stated aims and also state any factors that have hindered impact or delivery.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Community Grants

2022 saw the continuation of our Community Grants programme on a national scale, spanning ten geographical areas across the UK. In general, our Community Grants programme focused on funding organisations that make a positive contribution to the local community, improving places, spaces and addressing genuine need on the ground.

Community grants range from £500 to £10,000 and are targeted at registered charities with an income of less than £2million per annum and some track record of delivery. In order to make community grants the Foundation has worked closely with CSEU District Committees. District Committees identify charitable projects that reflect both their local priorities and those of the Foundation, making recommendations which are then considered against criteria and administered by the executive. In the period covered by this report, over £123,000 of community grants were awarded, with underspend rolled into 2023 budgets for the districts where it is applicable.

Research Grants

True to its origin in the struggle for shorter working time, the Foundation is dedicated to funding research and policy that makes strategic and long-term interventions in the debate around how to ensure that the future of work is both just and has the desires, needs and demands of working people at its heart. To this end we have distributed over £230,000 in research grants over the past twelve months, to a range of organisations and projects, a number of which will continue to deliver outputs into 2023.

Financial review

The review of the Foundation's financial position takes place at the last meeting within the reporting period at its November/December Board meeting. The review is conducted alongside receiving reports from the Foundation's Investment managers and independent financial advisers. It is conducted against the background of the 10-year funding plan which allows a reasonable risk across the portfolio.

The Foundation's unrestricted fund balance at the year-end was approximately £10.2 million.

At the end of this reporting year there were no uncertainties about the Foundation continuing as a going concern.

There were no significant events that have affected the financial performance of the Foundation during the year ending 31 December 2022.

The Foundation was established with a charitable donation of £14 million from the CSEU 35 Hour Week Campaign Fund. This donation was in the form of an in-specie transfer of listed investments. As at 31 December 2022 this fund had net assets of £10.2 million. The Retention Fund, of which the Foundation is the sole beneficiary and referred to in the third paragraph of this report, has net assets of £11.6 million. The Retention Fund is incorporated in the Foundation accounts but shown as a "restricted fund" until the time period elapses in 2023. After which, it becomes fully available to the Foundation.

After the strong performance of 2021, financial markets were weak and volatile over 2022 as we grappled with high inflation (driven by the effects of the pandemic and exacerbated by the war in Ukraine), rising interest rates (to help combat inflation) and slowing economic growth (as a result of higher inflation and interest rates).

Global equity markets fell sharply on news of Russia invading Ukraine, with the UK and Europe bearing the brunt of the selling. Fallout from sanctions against Russia rippled through the markets, with some of the world's biggest companies pulling out of Russia after mounting pressure. Brent crude surged, briefly nudging \$130 a barrel for the first time since September 2014, while wheat prices also soared by more than 60%. All eyes then turned to governments and central banks to see how they would help combat inflation and deal with the cost-of-living crisis, with central banks across the globe raising interest rates to levels not seen for almost 15 years.

A mild winter helped oil prices come down and the combination of better-than-expected economic data and lower-than-expected US inflation figures sparked a rally in stocks towards the end of the year, while bond yields fell. The rally did not make up for the losses accumulated throughout the year, however, and while UK equities were broadly flat, overseas equities ended the year down -7.8% while the UK government bond index was down -23.8%. The Foundation portfolio was not immune from these falls and was down -6.62% for the year.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves policy

The Foundation's reserve policy is in two parts. A short-term reserve provides immediate liquidity for one year and is deposited in "safe" assets, such as bank accounts. Its target value is one year's expenditure less the anticipated income. A long-term reserve provides exposure to long term economic growth. Its target value will be £9.6 million, increased annually by CPI inflation from then and is invested to achieve high, long term sustainable growth.

The Foundation currently contains the full amount of the Retention Fund (RF), mentioned earlier in the Report, in a restricted fund at the end of this reporting year. This will continue until the third quarter of 2023. At this stage, it will become fully available to the Foundation as part of its investment portfolio. At the end of this reporting year the value of the restricted fund was approximately £11.6 million.

The value of the Fund's assets available to the Foundation at the end of reporting were £10.2 million, excluding the value of the restricted fund.

Investment policy and performance

A full review was undertaken in 2021 with the newly appointed independent financial advisers which looked into all aspects of the Foundation's investment strategy and advised accordingly.

The Board reviewed and approved its investment policy in July 2021 which includes the key points set out below:

The Alex Ferry Foundation appoints professional investment management to manage the assets on a discretionary basis, in line with this investment policy. The Foundation will maintain a nominated list of authorised signatories, two of which are required to sign instructions to the investment manager. Those nominated Trustees have responsibility for advising the Board on variations in strategy and in monitoring the investment assets against target. Performance will be reviewed by the full Board on a six-monthly basis, and the investment manager(s) will be required to present at least once a year to the Board.

At least every six months the Trustees will review financial performance, ESG activity and provide the following information on a quarterly basis;

- The market value of investments, compared with the up-to-date Target Value;
- The market value, since inception, compared to CPI + 4%;
- A market-based benchmark return (70% in global equities, 30% in global bonds);
- A peer group benchmark such as the ARC Steady Growth Index.

The base currency of the investment portfolio is Sterling.

The AFF's assets can be invested widely and in line with Charity Commission guidance and best practice according to the appointed manager's discretion. Investments into derivatives or derivative based investments are permitted only for efficient portfolio purposes and not for speculation. The long-term fund investment objective is to produce a sustainable flow of cash (after fees and inflation) over 4% over the long term.

In Q3 of 2023, the retention fund will be incorporated into the main AFF investment fund, creating a single unified capital base. This junction will represent a logical moment in which to look again at our investment strategy and ensure it supports our objectives over both the short and long term.

Fundraising activities

The Foundation has not carried out any fundraising activities.

The Trustees continue to assess the major risks to which the Foundation portfolio is exposed and recognise the primacy of the investment management risk. The Trustees have ongoing arrangements with independent professional advice.

Grant policy

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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods

Over the next twelve months the Foundation will continue to drive forward its community grants programme, ensuring that expenditure happens across all districts at a level that delivers much needed direct support on an ongoing and focused basis. We will also look to capitalise on the opportunities of the present moment as it relates to our research agenda; ensuring that we produce work that is usable and relevant on the shopfloor and in the many ongoing campaigns to secure better working conditions for employees in the face of the many economic and political headwinds that continue to hinder the progress of the broader historical labour movement. Next year will also see us revive our Breathe Safe Campaign, which will look to raise awareness and ultimately change the legislative and regulatory environment around the dangers of weld fume.

Throughout all of this, we will continue to work collaboratively with both the trade union movement and civil society, making a case for visions of the future that include good work, supportive communities and a commitment to working together in solidarity.

Structure, governance and management

The Foundation is a company limited by guarantee.

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

J F Rowse (Chair of the Board)	
D Emerson (Independent Member)	
T Griffiths (Lay Member)	
S G Hibbert (Lay Member)	(Resigned 31 December 2022)
D M Holland (CSEU Member)	
R A Holmes (Lay Member)	(Resigned 31 December 2022)
A J McDiarmid (CSEU Member)	
D S McPhee (Lay Member)	
H Scullion (Subscriber)	
C Stevenson (Lay Member)	
R Murdoch (CSEU Member)	(Resigned 4 March 2022)
M Roberts (CSEU Member)	(Appointed 1 January 2023)
M Khan (Lay Member)	(Appointed 1 January 2023)
D Bradbury (Lay Member)	(Appointed 1 January 2023)

The newly elected Trustees replace S G Hibbert, R A Holmes and R Murdoch respectively and assumed office on the 1 January 2023.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The executive staff of the Foundation consists of one full time member or staff and two part time members of staff, currently consisting of an executive director, a director of external relations and a finance manager. Day to day operations are undertaken by this executive team, while all grant expenditure out with the community grant process and above a nominal level is ratified by the trustee board during scheduled meetings. Pay levels are set by the board, subject to an annual review process and benchmarked against comparable roles within the sector.

Recruitment

The Trustees are elected in accordance with the Articles of Association which provides for five lay member Trustees and three trade union officers appointed by the CSEU.

The three trade union officers elected by the CSEU Executive Committee and serve for a four-year period.

The Five lay members are elected at a specially convened meeting once every four years comprising solely of lay representatives of the CSEU District Committees. These elections took place in January 2023.

ALEX FERRY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Independent Director is elected by Board members and also holds office for four years and was re-elected at the November Board meeting. Any Board member resigning within that period, including the Independent Director, is replaced by the above methods to serve out the remaining period of office.

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.

John Rowse
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J F Rowse

Dated: 02 Aug 2023

ALEX FERRY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Foundation 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation 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 Foundation 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 Foundation 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 MEMBERS OF ALEX FERRY FOUNDATION

Opinion

We have audited the financial statements of Alex Ferry Foundation (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 2022 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 Foundation 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the Foundation and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

ALEX FERRY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALEX FERRY FOUNDATION

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Foundation 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of our planning process:

- We enquired of management the systems and controls the Foundation has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The Foundation did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the Foundation. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011 and Companies Act 2006.
- We considered the incentives and opportunities that exist in the Foundation, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the Foundation, together with the discussions held with the Foundation at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Reviewing and challenging the assumption and judgements made by management in their significant accounting estimates.
- Obtaining third-party confirmation of material bank balances and investments.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Foundation board minutes for discussions of irregularities including fraud.

ALEX FERRY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALEX FERRY FOUNDATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors of the company.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carol Rudge
Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

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ALEX FERRY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £'000s	Restricted funds 2022 £'000s	Total 2022 £'000s	Unrestricted funds 2021 £'000s	Restricted funds 2021 £'000s	Total 2021 £'000s
Income from:							
Investments	3	254	172	426	228	149	377
Expenditure on:							
Raising funds	4	55	30	85	50	30	80
Charitable activities	5	667	24	691	515	34	549
Total resources expended		722	54	776	565	64	629
Net (losses)/gains on investments	10	(1,004)	(413)	(1,417)	1,279	4,013	5,292
Net (outgoing)/incoming resources before transfers		(1,472)	(295)	(1,767)	942	4,098	5,040
Gross transfers between funds	15	-	-	-	353	(353)	-
Net movement in funds		(1,472)	(295)	(1,767)	1,295	3,745	5,040
Fund balances at 1 January 2022		11,648	11,908	23,556	10,353	8,163	18,516
Fund balances at 31 December 2022		10,176	11,613	21,789	11,648	11,908	23,556

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 2022

		2022		2021	
	Notes	£'000s	£'000s	£'000s	£'000s
Fixed assets					
Investments	11		21,207		22,711
Current assets					
Debtors	13	5		11	
Cash at bank and in hand		751		971	
		<u>756</u>		<u>982</u>	
Creditors: amounts falling due within one year	14	<u>(174)</u>		<u>(137)</u>	
Net current assets			<u>582</u>		<u>845</u>
Total assets less current liabilities			<u>21,789</u>		<u>23,556</u>
Income funds					
Restricted funds	15		11,613		11,908
Unrestricted funds			10,176		11,648
			<u>21,789</u>		<u>23,556</u>

The financial statements were approved by the Trustees on 02 Aug 2023

John Rowse

J F Rowse
Trustee

Company Registration No. 11145243

ALEX FERRY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£'000s	£'000s	£'000s	£'000s
Cash flows from operating activities					
Cash absorbed by operations	18		(648)		(626)
Investing activities					
Cash withdrawn from portfolio		347		1,155	
Investment income received		81		68	
Net cash generated from investing activities			428		1,223
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(220)		597
Cash and cash equivalents at beginning of year			971		374
Cash and cash equivalents at end of year			751		971

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Article 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) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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.

1.4 Income

Investment income is accounted for on an accruals basis.

1.5 Expenditure

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

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

Grants payable are charged to the statement of financial activities in the period in which the grant commitment is made and a liability is recognised for the full amount of the grant award, unless there are conditions attaching to its payment which limit the recognition.

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. For unlisted investments, when their fair value at each reporting date cannot be reasonably estimated these are measured at their latest purchase offer.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Derecognition of financial liabilities

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

1.9 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 Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the Foundation'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.

As at 31 December 2022 the carrying amount of the following assets were subject to judgement or to estimation uncertainty:

-The fair value of unlisted equity investments are based on the latest purchase offer.

-The Trustees believe that the likelihood of any liability arising in relation to the Retention Fund is remote and have therefore not recognised a contingent liability.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Investment income	243	168	411	228	149	377
Interest receivable	11	4	15	-	-	-
	<u>254</u>	<u>172</u>	<u>426</u>	<u>228</u>	<u>149</u>	<u>377</u>

4 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Investment management fees	55	30	85	50	30	80
	<u>55</u>	<u>30</u>	<u>85</u>	<u>50</u>	<u>30</u>	<u>80</u>

5 Charitable activities

	2022	2021
	£'000s	£'000s
Grant funding of activities (see note 6)	353	240
Support costs (see note 7)	301	276
Governance costs (see note 7)	37	33
	<u>691</u>	<u>549</u>
Analysis by fund		
Unrestricted funds	667	515
Restricted funds	24	34
	<u>691</u>	<u>549</u>

The charity awards community and research grants for education and training purposes.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Grants payable	2022 £'000s	2021 £'000s
Grants to institutions:		
<u>Community grants</u>		
North West Hazard Trust	-	10
Salford Unemployed and Community Resource Centre	-	10
Southampton Advice Representation Centre (SARC)	10	10
Derbyshire Unemployed Workers Centre (DUWC)	-	10
The Really Amazing Charity TRAC	-	10
Newhill Youth & Community Association	-	10
Plymouth VCSE (POP)	-	10
West View Advice & Resource Centre	-	10
Argyle Community Trust	9	-
Blood Bikes Wales	10	-
Dracena Centre	10	-
Devon Community Foundation (DCF)	10	-
Fairfield Community Sports Hub	10	-
If U Care Share	5	-
In this Together	10	-
Kids In Action	10	-
Mind in Furness	9	-
People's Kitchen Belfast	10	-
Playlist for life	10	-
Working Class Movement Library	10	-
<u>Research grants</u>		
Breathe Safe Project	-	11
Institute for Public Policy Research	15	17
Social Enterprise UK	-	18
Institute of Employment Rights	20	10
Unions21	15	15
CLASS	-	15
Common Wealth	-	20
FairShare T/A ShareAction	-	10
Autonomy	32	15
Cleaners Unite	13	-
The Equality Trust	16	-
Fabian Society	15	-
Institute for the Future of Work	15	-
Jimmy Reid Foundation	14	-
Pensions & Investment Research Consultants	30	-
Progressive Economy Forum	10	-
Other	35	29
	<u>353</u>	<u>240</u>

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Support costs	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Personnel costs	221	-	221	193	-	193
Travel and subsistence	1	-	1	2	-	2
Occupancy costs	19	-	19	23	-	23
Legal and professional	30	-	30	32	-	32
Premises costs	19	-	19	19	-	19
HR costs	8	-	8	6	-	6
Meeting costs	3	-	3	1	-	1
Audit fees	-	29	29	-	27	27
Non - audit fees	-	8	8	-	6	6
	<u>301</u>	<u>37</u>	<u>338</u>	<u>276</u>	<u>33</u>	<u>309</u>
Analysed between						
Charitable activities	<u>301</u>	<u>37</u>	<u>338</u>	<u>276</u>	<u>33</u>	<u>309</u>

Governance costs includes payments to the auditors of £29,000 (2021: £27,000) for audit fees and £8,000 (2021: £6,000) in respect of non-audit fees.

8 Trustees

During the year expenses incurred by ten of the Trustees and reimbursed to them amounted to £4,538 in relation to travel expenses (2021: £803).

9 Personnel

	2022 Number	2021 Number
	<u>3</u>	<u>3</u>
Personnel costs	2022 £'000s	2021 £'000s
Wages and salaries	191	178
Freelance costs	11	-
Social security costs	14	12
Other pension costs	17	14
Recharges	(12)	(11)
	<u>221</u>	<u>193</u>

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Personnel

(Continued)

Wages and salaries include amounts recharged of £47,899 (2021: £45,066) from other entities for individuals who carry on our charitable activities. These individuals are not employed by Alex Ferry Foundation.

Recharges of £11,542 (2021: £11,224) arise from staff time costs spent with the Confederation of Shipbuilding and Engineering Unions.

The key management personnel of the charity comprises the Trustees, Executive Directors and Finance and Administration Manager. The Trustees do not receive any remuneration, except as stated in note 8. The total employee benefits of the other key management personnel of the charity were £220,368.

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u> </u>	<u> </u>

10 Net (losses)/gains on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £'000s	2022 £'000s	2022 £'000s	2021 £'000s	2021 £'000s	2021 £'000s
Revaluation of investments	(759)	(305)	(1,064)	820	3,845	4,665
(Loss)/gain on sale of investments	(245)	(108)	(353)	459	168	627
	<u>(1,004)</u>	<u>(413)</u>	<u>(1,417)</u>	<u>1,279</u>	<u>4,013</u>	<u>5,292</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Fixed asset investments

	Listed investments £'000s	Unlisted investments £'000s	Cash in portfolio £'000s	Total £'000s
Cost or valuation				
At 1 January 2022	15,161	7,286	264	22,711
Additions	2,520	-	(2,520)	-
Valuation changes	(1,064)	-	-	(1,064)
Investment management fees	-	-	(82)	(82)
Cash withdrawn	-	-	(350)	(350)
Dividends received	-	-	334	334
Interest received	-	-	11	11
Disposals	(3,281)	-	2,928	(353)
	<u>13,336</u>	<u>7,286</u>	<u>585</u>	<u>21,207</u>
Carrying amount				
At 31 December 2022	<u>13,336</u>	<u>7,286</u>	<u>585</u>	<u>21,207</u>
At 31 December 2021	<u>15,161</u>	<u>7,286</u>	<u>264</u>	<u>22,711</u>

12 Financial instruments

	2022 £'000s	2021 £'000s
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	13,336	15,161

13 Debtors

	2022 £'000s	2021 £'000s
Amounts falling due within one year:		
Prepayments and accrued income	5	11

14 Creditors: amounts falling due within one year

	2022 £'000s	2021 £'000s
Other creditors	136	86
Accruals and deferred income	38	51
	<u>174</u>	<u>137</u>

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Restricted funds

The income funds of the charity include restricted funds comprising the following amounts held on trust for specific purposes:

	Balance at 1 January 2021	Incoming resources	Movement in funds			Balance at 1 January 2022	Movement in funds			Balance at 31 December 2022
			Resources expended	Transfers	Revaluations, gains and losses		Incoming resources	Resources expended	Revaluations, gains and losses	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
The Retention Fund	8,163	149	(64)	(353)	4,013	11,908	172	(54)	(413)	11,613

This restricted income fund is the "Retention Fund" held by separate trustees for the benefit of the Foundation. The Retention Fund was created by the Court Order that released funds from the CSEU 35 Hour Week Campaign Fund and led to the formation of the Foundation. This fund is currently held by the trustees of the Retention Fund to meet any outstanding liabilities, in accordance with the Court Order. The trustees of the Retention Fund can make transfers to the unrestricted funds of the Foundation in certain circumstances and in due course the Retention Fund will pass to the Unrestricted Funds of the Foundation by way of a final transfer as required by the Court Order.

The transfer relates to one lump sum received from the Retention Fund. This is classified as a movement between the restricted and unrestricted fund, following the Retention Fund becoming a restricted fund of the foundation.

ALEX FERRY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £'000s	Restricted funds 2022 £'000s	Total 2022 £'000s	Unrestricted funds 2021 £'000s	Restricted funds 2021 £'000s	Total 2021 £'000s
Fund balances at 31 December 2022 are represented by:						
Investments	9,894	11,313	21,207	11,036	11,675	22,711
Current assets/(liabilities)	282	300	582	612	233	845
	<u>10,176</u>	<u>11,613</u>	<u>21,789</u>	<u>11,648</u>	<u>11,908</u>	<u>23,556</u>

17 Related party transactions

The Foundation paid £36,158 (2021: £33,842) 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 £15,583 (2021: £15,096) 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 M Roberts, who are CSEU Member trustees of the Foundation, are members of the Executive Council of the Confederation.

18 Cash generated from operations

	2022 £'000s	2021 £'000s
(Deficit)/surplus for the year	(1,767)	5,040
Adjustments for:		
Investment income recognised in statement of financial activities	(426)	(377)
Loss/(gain) on disposal of investments	353	(627)
Fair value gains and losses on investments	1,064	(4,665)
Investment management fees	85	80
Movements in working capital:		
Decrease/(increase) in debtors	6	(1)
Increase/(decrease) in creditors	37	(76)
Cash absorbed by operations	<u>(648)</u>	<u>(626)</u>

19 Analysis of changes in net funds

The charity had no debt during the year.