

THE AUSTIN BAILEY FOUNDATION

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5TH APRIL 2021

CHARITY NO. 514912

Report of the trustees for the year ended 5th April 2021

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2021. The accounts have been prepared in accordance with the accounting policies set out in Note 1 of the attached accounts and comply with the Charity's Trust Deed, applicable laws, accounting standards (United Kingdom Generally Accepted Accountancy Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102) effective from accounting periods commencing 1st January 2015 or later and Update Bulletin 1.

OBJECTIVES AND ACTIVITIES

Austin Bailey Foundation, ABF, was founded by Keith Bailey in 1984. His experience as a Japanese prisoner of war 1942-1945 gave him a profound sense of his own good fortune in surviving what so many colleagues did not. This was reinforced by his subsequent success in business in Swansea and led him to set up the Austin Bailey Foundation. His desire was to do something to improve the lives of the poor and disadvantaged in the Swansea area through local charities and the church. The prayer of the Foundation includes the words 'Lord, who expects much of those to whom much is given'. This summarises the ethic of both Keith Bailey, the present chairman Clive Bailey, and the trustees, in driving ABF forward. ABF has remained faithful to its founding vision in supporting local community action with a focus on lasting impact, through the involvement of those who are most in need. In addition to working in the Swansea area, a quarter of ABF's unrestricted resources are devoted to the developing world.

Ethos and Focus

ABF's principal focus in the Swansea region is on helping disadvantaged people in one of the poorer regions of the UK. Our aim is to redress disadvantage, relieve economic and social poverty as well as poverty of opportunity and aspiration.

We encourage self-sustaining projects, often in an entrepreneurial manner, whilst always keeping an eye on real need where charitable hand outs are more appropriate.

Small charities in the Swansea region tell us that whilst provision of funds for large projects has improved through the Lottery Fund and the Welsh Assembly, the provision of smaller sums (£500 to £4,000) has diminished. This is the area which ABF sees as its core activity.

We see our role as one of partnership with people and communities, encouraging their own vision for the changes they believe they can make. We believe that small amounts of money, well-used and carefully spent, can make large changes.

The Foundation's trust deed states that unrestricted income should be delivered as follows: -

- Approximately 50% of unrestricted income is used to assist Swansea charities or the Swansea branches of National charities operating locally. The aim is to redress disadvantage, relieve economic and social poverty as well as poverty of opportunity and aspiration
- Approximately 25% of unrestricted income is given to local churches and faith groups to advance the Christian faith as well as supporting the community objectives listed above.

- Approximately 25% of unrestricted funds are donated to relief organisations for the relief of poverty and ill health and the fostering of opportunities for young people in the developing world.

Activities – Trustee Meetings

The charity's website austinbaileyfoundation.charity contains guidance on how to apply for grants along with application forms and a section for frequently asked questions. Applicants are asked to apply some weeks ahead of the trustees' meetings.

The trustees meet twice a year in January and June. This has been increased to three times a year from 2021-22 (January, May and September). Ahead of the meetings, trustees in each category – Local Charities, Local Churches and Overseas, meet to identify the most promising applications which will then be confirmed at the main trustees' meeting. Local grants are of two types, small one-off grants and larger recurring grants. Overseas include small grants and larger Flagship grants.

Activities – Local Small Grants – the standard one-off grant is £1,000 although this can vary from £500 to £2,000. These single grants enable the trustees to understand the applicant charity's (or CIC's) activities which is further enhanced by a feedback form which applicants must complete some months after they receive the grant. Applicants cannot reapply within 12 months of receiving a grant (15 months overseas).

In 2020-21 a total of 28 small grants were made to Local Charities totalling £28,665. 24 small grants were made to Local Churches totalling £16,656.

Activities – Local Large grants - good interaction and feedback from small grant recipients over a two- or three-year period will encourage the trustees to invite the organisation to apply for a recurring 3-year grant. Charities are asked to give a presentation to trustees followed by a question-and-answer session. Such grants are usually larger (anything up to £4,000 per annum).

In 2020-21 eight such grants totalling £17,700 were made to the following Local Charities; -

- Faith in Families
- Discovery Swansea University
- Swansea asylum Seekers' Support
- Swansea CVS
- Surfability
- Llamau
- Swansea Mind

In 2020-21 five such grants totalling £10,200 were made to the following Local Churches; -

- St. Mary's Church Swansea.
- St Thomas' Church Kilvey.

Most recurring grants came to the end of their three-year period in July 2021. A new set of recipients will be decided at the trustees meeting taking place on 12th January 2022.

Activities – Overseas – Overseas follows the same model as for local small grants. In 2020-21 there were 24 small grants totalling £24,000. In addition, there are currently four Flagship grants of £8,000 per annum (total £32,000) given to the following organisations: -

- Tiyeni – deep bed farming method in Malawi
- Pump Aid – irrigation pumps in Malawi
- Five Talents – micro-finance and small business training in Uganda
- Send a Cow – agricultural development in Burundi

Total 32 grants, totalling £56,000.

All overseas Flagship grants are paid for from restricted funds provided by the chairman and his companies.

These three-year grants came to an end in July 2021. A selection process for new applicants followed. It was decided to extend the grants to Tiyei, Pump Aid and Send a Cow for a further two years at reduced amounts. In addition, three new organisations were selected: -

- Renewable World – solar pumps in Nepal
- ATE – drought resistant farming in Ghana
- Shining Star – improving health and safety for sex workers in Zimbabwe and enabling them to leave the profession.

Activities – Monitoring and Evaluation – Monitoring and evaluation is an essential process in the Foundation’s grant-making activities. For small grants these consist of feedback forms after a period of 12 months after the grant is given. Recipients of larger grants will be asked to engage with trustees through site visits, presentations, and annual reports.

Likewise, where feasible, visits are made to overseas Flagship locations (this has not been possible during Covid) and annual progress reports are made by recipients comparing actual and anticipated performance. A yearly meeting enables the recipients to discuss their progress and difficulties with the overseas trustees.

Public benefit

The trustees confirm that they have complied with section 2(1)(b) of the Charities Act 2011, having due regard for the Charity Commissioner’s guidance on public benefit when reviewing the Foundation’s aims and objectives, when setting the grant-making policy and in making awards.

ACHIEVEMENTS AND PERFORMANCE

Grants paid to beneficiaries

In the year to 5 April 2021, ninety-six individual grants were made totalling £129,221, a 16% increase on the £111,520 donated the previous year.

Included in this figure were eight overseas flagship awards totalling £32,000 which were covered by restricted funds donated specifically for these projects. After excluding these designated funds, the awards for the year agreed by the trustees from unrestricted funds totalled £97,221 (a 22% increase on the prior year). This sum was apportioned as follows:-

Overseas charities	-	32 awards totalling £24,000 (24.7%)
Local Churches	-	28 awards totalling £26,856 (27.6%)
Local charities	-	36 awards totalling £46,365 (47.7%)

Appointment of new Trustees in the year

It is the chairman’s intention to increase the Foundation’s grant giving capacity substantially in the coming years. To this end, it was felt that the board of trustees needed strengthening, both in terms of breadth of experience and with a younger make-up. This coincided with the retirement of the Foundation’s three church trustees.

Minerva, a recruitment agency was appointed to identify suitable younger trustees who, through professional experience and local knowledge, could make a strong contribution to the continued development of the Foundation. A shortlist of 12 candidates were interviewed and the following four trustee candidates were appointed:

Rev. Steven Bunting – Vicar of St. Thomas’ Church in Swansea where he has converted the church into a thriving community hub. He is enthusiastic about partnering with other churches in the area to replicate the community hub he has so successfully created in St. Thomas.

Sally Goldstone – A well-known local solicitor. She saw becoming a trustee in the Foundation as a means of continuing the charitable works she had been involved in when she was recently High Sheriff of the county.

Dr Ashraf Mikael – A physician at Morriston Hospital. He is heavily involved both with asylum seekers and in community work in the Swansea area through a charity that helps patients with chronic kidney disease. He is also a trustee of his local Orthodox church.

Eleanor Norton – Eleanor has worked in the voluntary sector in Swansea for over 20 years, currently as director of Discovery, the student volunteer organisation at Swansea University, and previously with organisations in supporting vulnerable families, youth homelessness and community regeneration. She is also an equality and rights trainer.

Adam Leach – has been an associate trustee since 2019 and became a full trustee in 2020. He works with the chairman on the overseas activities of the Foundation where he has over 30 years of experience in organisations including as Oxfam, VSO, Action Aid and YMCA/Y-Care.

Social Media

One of the early objectives of the new trustee team was to improve our presence on social media to increase awareness of the Foundation’s activities in the Swansea area. A social media committee was formed, and a presence was established on Facebook that is updated monthly giving information about the Foundation and the activities of its grantees. A new website was launched in 2021 to considerable acclaim, replacing the old one that we had been using for the previous 13 years.

FINANCIAL REVIEW

The Foundation’s portfolio is managed by the stockbrokers, Brewin Dolphin’s charity team. It was agreed that Risk Category 7 – Income, best matches the Foundation’s investment objectives, taking due note of the Trustees’ ethical preferences. At 5 April 2021 the portfolio asset allocation compared to the benchmark for Risk Category 7 was:

	Portfolio	Benchmark
Fixed Income	4.3%	6.5%
Equities	88.6%	83.0%
Alternatives	4.3%	8.0%
Cash	0.6%	2.5%
Other	2.2%	0.0%

The trustees are satisfied that this diversification of investments is the best method of achieving investment objectives.

Investment performance

In order to comply with the Charities SORP, the Foundation’s quoted investment assets are valued at market price as at the balance sheet date. Their value at 5 April 2021 was

£1,484,810, a 26.4% improvement on the figure of £1,174,438 at the previous year end which coincided with the height of Covid 19 induced stock market collapse.

Income from investments was £51,794, giving a yield of 3.5% on the closing capital value as at 5th April 2021.

Investment transactions during the year made net realised losses of £93,065 and there were net unrealised gains of £413,377. Both were transferred to the SOFA.

The broker's management fees for the year were £9,940 incl. of VAT,

Over the past thirty three years the Foundation has benefited considerably from the generous financial support provided by the late Founder and his family. Clive Bailey continues to make both income and capital donations towards the charitable activities of the Foundation which have ensured that the Foundation operates from a sound financial footing.

The Foundation's work is reliant on its investment returns from its share portfolio and donations received from the chairman or companies controlled by him.

Results for the year

A summary of the year's results can be found in the accounts that follow this report.

Income for the year was £143,818 (2020 – £367,443). Income arising from the Foundation's share portfolio was £51,794 and donations totalling £90,224 from Clive Bailey and companies controlled by him together with related tax refunds. There was £1,800 miscellaneous income.

Income for the year was £128 less than expenditure (2020 – surplus of £243,102 which was because of a larger than usual donation from Clive Bailey in that year).

The charity held general unrestricted funds of £47,992 (2020 - £38,110) at the balance sheet date, together with an unrestricted capital fund of £1,484,810 (2020 - £1,174,438).

Risk Assessment

Following the sale of the investment property in 2020 the Foundation is now more reliant upon income from dividends than previously. Whilst the trustees consider the variability of investment returns to constitute the Foundation's major financial risk this is mitigated by employing professional investment managers and having a diversified investment portfolio.

Other than the above, the trustees have not identified any other significant risks, financial or otherwise which are not monitored or controlled.

Reserves Policy

In setting a reserves policy the trustees are mindful of a possible shortfall in funding to cover the April distribution to charities that falls soon after the financial year-end. The trustees' aspiration for annual charitable giving of £135,000 or £45,000 per meeting would require an end of year balance or reserve of around £40,000.

The trustees are content however, to allow this figure to fluctuate in the knowledge that if the distribution of £45,000 cannot be achieved in April then additional funds in the form of donations will be introduced by the chairman to cover any shortfall.

The reserves at 5th April 2021 were £47,922 (2020 - £38,110).

Structure, governance and management

The Foundation is a registered charity, number 514912, and is constituted under a trust deed dated 1 February 1984. The Foundation was established by an initial gift from Keith Cyril Austin Bailey who, despite having spent three years as a prisoner of war under the Japanese during World War 11, wished to express his gratitude for the happiness and good fortune he had otherwise received during his life, by giving help to those in need or adversity. Over the years the Bailey family has made substantial gifts to the charity and the legacy of the Austin Bailey Foundation is a lasting tribute to Keith Bailey. The Foundation does not actively fundraise and seeks to continue the charitable work desired by the donor through the careful stewardship of its existing resources.

The Trustees meet twice a year, in May/June and December/January, to agree the broad strategy and areas of activities for the Foundation including consideration of grant making, investment, reserves and risk management policies and performance. All activities of the charity are carried out by the Trustees without the need for additional staff.

The Chairman of Trustees, Clive Bailey, has the authority to appoint new trustees but the support of the Foundation's existing Trustees is usually sought prior to any appointment. Previously, candidates for the role of Trustee were recommended by one of the existing Trustees, having demonstrated the skills necessary to contribute to the charity's development. In anticipation of a substantial increase in income over the coming years, the Foundation has appointed four new trustees during the year (see Trustees section, page 4 above) and made one associate trustee a full trustee.

Each new Trustee will be directed towards guidance for new trustees issued by the Charity Commission.

Future Plans

- * To continue to make grants and commitments, at a similar or higher level, to the range of beneficiaries listed under objectives.
- * To continue to provide additional support to local charities affected by the Coronavirus pandemic
- * The Trustees will continue to work towards the aims set out in the 2017 strategic plan and an annual target of awarding grants totalling a minimum of £100,000.
- * To further raise the profile of the Foundation through the new website and further engagement in social media.

Reference and administrative information

Trustees

Mr Clive Vernon Austin Bailey, Chair of Trustees

Mrs Sandra Morton, Vice Chair of Trustees

Ms Sian Popper

Mr Adam Leach – appointed 01-07-2020

Rev. Steven Bunting– appointed 01-07-2020

Mrs Sally Goldstone– appointed 01-07-2020

Dr Ashraf Mikael– appointed 01-07-2020

Honorary Treasurer: Mr Clive Bailey

Principal Office and correspondence address

25 Onslow Square, Unit 4, London SW7 3NJ.

Charity Number: 514912

Website: www.austinbaileyfoundation.charity

Independent Examiner

Ashmole & Co.

Chartered Certified Accountants

1st Floor, 1 St. John's Court,

Upper Forrest Way,

Enterprise Park,

Swansea SA6 8QQ

Bankers

Lloyds Banking Group, Market Branch, Oxford Street, Swansea

Investment Managers

Brewin Dolphin Ltd, 2nd Floor, 5 Callaghan Square, Cardiff CF10 5BT

Trustees' responsibilities in relation to the financial statements

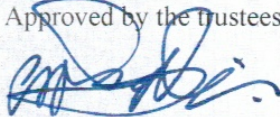
The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees and signed on their behalf by:

Approved by the trustees and signed on their behalf by:



Date 28-01-2022

Clive Bailey - Chair of Trustees



CHARITY COMMISSION
FOR ENGLAND AND WALES

Section A

Independent Examiner's Report

Report to the trustees/
members of

The Austin Bailey Foundation

On accounts for the year
ended

5th April 2021

Charity Number: 514912

Set out on pages

Thirteen to Twenty One

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended **05-04-2021**

Responsibilities and basis
of report

As the charity's trustees, you are responsible for the preparation of the accounts accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.



CHARITY COMMISSION
FOR ENGLAND AND WALES

Section A *Independent Examiner's Report*

**Report to the trustees/
members of**

The Austin Bailey Foundation

**On accounts for the year
ended**

5th April 2021

Charity Number: 514912

Set out on pages

Thirteen to Twenty One

I report to the trustees on my examination of the accounts of the above charity (“the Trust”) for the year ended **05-04-2021**

**Responsibilities and basis
of report**

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (“the Act”).


I report in respect of my examination of the Trust’s accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent
examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:	 Date: 28/01/2022
Name:	D R Vaughan FCA, Ashmole & Co.
Relevant professional qualification(s) or body	Chartered Certified Accountants
Address:	1 st Floor, St. John's Court, Upper Forrest Way, Enterprise Park, Swansea SA6 8QQ

