

**THE SHEARS FOUNDATION**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2024**

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**THE SHEARS FOUNDATION**

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## THE SHEARS FOUNDATION

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 MARCH 2024

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<b>Trustees</b>	N V L Cruz M A Horner, Chair G Lyall G Shears P J R Shears R Shears B Warnes L Warnes
<b>Charity registered number</b>	1202285
<b>Principal office</b>	The Community Foundation Philanthropy House, Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD
<b>Independent auditors</b>	BHP LLP 1 St Mary's Court Blossom Street York YO24 1AH
<b>Bankers</b>	Handelsbanken Greengate 1 Cardale Park Harrogate HG3 1GY
<b>Solicitors</b>	Womble Bond Dickinson LLP Helix The Spark Draymans Way Newcastle upon Tyne NE4 5DE
<b>Fund Managers</b>	Aberdeen Standard Capital Limited 1 George Street Edinburgh EH2 2LL
<b>Fund Managers</b>	James Hambro and Partners LLP 45 Pall Mall London SW1Y 5JG
<b>Fund Managers</b>	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH

## Shears Foundation 2023/2024 Trustees Report

The trustees present their report and the audited financial statements of the charity for the period ended 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

The trustees of The Shears Foundation are delighted to present our first Annual Report since converting to a Charitable Incorporated Organisation (CIO) on July 1<sup>st</sup> 2023. This report covers the first nine months of our operation as a CIO. Future annual reports will revert to a 12-month period. On 1<sup>st</sup> July 2023, the assets of the predecessor charity were gifted in the entirety to the new CIO. The predecessor charity is now dormant with no assets. These financial statements have been prepared adopting merger accounting.

We are pleased to be supported by our new accountants, BHP LLP who have worked constructively with us to develop a more straightforward and transparent annual report which is suited to modern grant making and the way in which the Shears Foundation CIO works.

Despite the change of legal status to a CIO, and a new Charity Commission registration, the core values of The Shears Foundation continue to be embedded in the work that we do. We have built upon Trevor and Lyn Shears' ethos of fairness, equity, transparency and trust to continue to develop good practice as a funder. This good practice is recognised both regionally and nationally in our profile and reputation as a grant maker.

Our conversion to a CIO also opened up the range of organisations that we can help support. Previously we were only able to support UK registered charities. Following our incorporation, this was widened to enable us to support a broader range of charitable organisations, such as Community Interest Companies and Community Benefit Societies.

In March 2024 we celebrated the 30<sup>th</sup> birthday of The Shears Foundation, originally known as the Shears Charitable Trust. In those 30 Years we have given over 1,400 separate grants totalling over £16 million.

### OBJECTIVES AND ACTIVITIES

The object of the foundation is to produce sound investment income and growth for the benefit of present and future beneficiaries.

The foundation aims to fund selected organisations and projects in the fields of community development, environmental issues, sustainable development, health and welfare and cultural

developments, all with an emphasis on education and raising awareness. There is also a proportion devoted to overseas projects in the same fields.

## **PUBLIC BENEFIT**

The foundation's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the foundation's charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have paid due regard to this guidance in deciding what activities the foundation should undertake.



***Open Country*** – a core costs grant of £5,500 towards the salary of an activities officer supporting people with a disability to access and enjoy the countryside.

## **Our new Shears Foundation Administrator**

In 2023 the trustees recognised the increasing workload that is required in order to achieve best practice in grant making and manage an increasing level of demand. They made the decision to recruit a Foundation Administrator to work alongside Bruce Warnes in his capacity as Foundation Manager. Carla Greenwood was appointed in November 2023 and has had a very positive impact on the way that we work and our capacity for continual improvement of our grant making practice.

## Our approach to relationship-based grant making

Relationship based, or relational, grant making is very much part of the DNA of The Shears Foundation. Since the very start of Trevor and Lyn's philanthropy, the principle of getting to know the organisations that we support has been at the heart of what we do. Building relationships over time helps develop mutual trust, deeper understanding and a level of openness that all transcend more transactional styles of grant making. The current trustees embrace this approach by being actively involved in both decision making; meetings with groups and visits to those that we support.

Trustees and staff attended 33 meetings and visits in the nine-month period.

Our model for building such relationships can be summarised as follows:

Stage one – getting to know each other	
<b><i>The Grantee</i></b> <ul style="list-style-type: none"> <li>Pre-application phone call / ZOOM.</li> <li>Encouraged to be open and honest from the start.</li> <li>Ad-hoc communication.</li> <li>Sharing successes and achievements.</li> <li>Sharing impact reports / newsletters.</li> <li>End of grant monitoring and learning.</li> <li>Encouraged to give feedback on our processes.</li> <li>Invites to events and projects.</li> </ul>	<b><i>The Shears Foundation</i></b> <ul style="list-style-type: none"> <li>Transparency and openness about funding priorities and decision making – Open and Honest processes.</li> <li>Transparency and openness about our expectations of the grantee.</li> <li>Offers project focussed funding and some core cost funding.</li> <li>Highest level of due diligence. Which allows us to place trust in the grantee from the start of our relationship.</li> <li>Reads and feeds back on communications.</li> <li>Has an honest 6-month check in with the grantee.</li> <li>Some trustee attendance at celebration events. Manager / Trustee meet ups with Fundraisers.</li> </ul>
Stage two – building on the foundations	
<b><i>The Grantee</i></b> <ul style="list-style-type: none"> <li>Feels increasingly able to share when things might not be going so well.</li> <li>Feels able to apply for funding to continue a previously funded aspect of their work – no need to reinvent the wheel for each application.</li> <li>Extends a range of invitations that allow trustees to develop a deeper understanding. Opportunities to discuss future applications.</li> </ul>	<b><i>The Shears Foundation</i></b> <ul style="list-style-type: none"> <li>Offers largely core cost funding.</li> <li>Still a high level of due diligence.</li> <li>Trustee attendance at 'real world events' seeing the work of the charity first hand.</li> <li>Open to ongoing conversations and supporting the grantee in overcoming challenges.</li> <li>Increased flexibility.</li> <li>Willingness to allow funding to be re-purposed.</li> <li>Introduces the grantee to other potential grant funders.</li> </ul>

## Stage three – mutual understanding and respect

<i>The Grantee</i>	<i>The Shears Foundation</i>
<ul style="list-style-type: none"> <li>• Able to be extremely honest about needs and challenges, even failures, of the organisation without feeling the relationship will be compromised or grants withdrawn.</li> <li>• Able to direct our funding to where it will have the most impact.</li> <li>• Able to ask for variations in timescale or purpose – even early release of pledged grants (dependent on our cashflow)</li> <li>• Able to seek our advice and support with matters that are not necessarily grant related – such as strategy.</li> <li>• Invitations for connections develop into a wider range of trustee opportunities, social, experiential, grant focussed and broader organisational context.</li> </ul>	<ul style="list-style-type: none"> <li>• Offers largely unrestricted funding.</li> <li>• Less rigorous due diligence.</li> <li>• Trustees feel better connected as true stakeholders.</li> <li>• Trustees are part of the charity's own growth journey.</li> <li>• Greater impact satisfaction for trustees.</li> <li>• Willingness to 'move the goal posts.' to help meet grantees' needs and priorities.</li> <li>• Able to have difficult conversations with the grantee about our own challenges and priorities and implications for grant making.</li> <li>• Lighter touch reporting.</li> <li>• Actively promotes the grantee to other funding organisations.</li> </ul>



**Richard Shepherd Music Foundation** – a grant of £5,500 to help them deliver their schools music programme to ten primary schools in York.

## Our grant making

The Shears Foundation has five key priority areas for its' grant making.

- The development of culture and the arts.
- The development and provision of educational opportunities for adults and / or children.
- Protection, preservation or enhancement of the natural environment.
- Creating stronger / better / more sustainable communities.
- Promoting health and medicine, with an emphasis on research or education.

We place a great deal of emphasis in supporting organisations whose work is in the Tyne & Wear and Northumberland regions. Around 50% of our grant making is in this region. We also make grants in the former Harrogate District & The City of York; The City of Bradford; Greater Manchester and occasionally to UK organisations working overseas.

We support core running costs as well as project costs.

### Our grant making is divided into two distinct strands.

During the year, the trustees decided to further embed our Core Grants programme into our grant making practice. They agreed at our AGM to put in place a process where organisations who we have a positive long-term relationship with can apply to become a core group by invitation.

Our Core Grants programme	Our Small Grants Programme
For organisations that we have developed a strong, mutual relationship with over several years.	For organisations that are new to us, or that we are getting to know.
<ul style="list-style-type: none"> <li>• Largely unrestricted funding</li> <li>• Larger grants</li> <li>• Multiple year grants (3 years)</li> <li>• Rapid turnaround</li> </ul>	<ul style="list-style-type: none"> <li>• For project or specified core costs</li> <li>• Usually, a fixed grant amount of £5,500</li> <li>• One-year grants</li> <li>• Applicants can re-apply each year</li> <li>• Quarterly grants cycle</li> </ul>
7 Core Grants were awarded in the year, totalling £435,000	48 Small Grants were awarded in the year, totalling £283,215
In addition, the trustees agreed grants totalling £20,000 to The British Red Cross Disaster and Emergency Appeal for work overseas.	

In the 9-month financial year from July 1<sup>st</sup> 2023 to March 31<sup>st</sup> 2024 we awarded a total of 56 grants, totalling £738,215.

The largest grants awarded of £90,000 were to The Royal College of Surgeons and Samling Institute for Young Singers. Our average grant size was £13,182.



***Frozen Light Theatre*** – a grant of £5,500 to help them with 12 sensory theatre performances for people with profound, multiple learning difficulties at The Lowry in Salford.

### **Our grant making experience**

We want to make our grant application experience as open and straightforward as possible for those that want to apply. We start every applicant's journey with a phone call or ZOOM to explain our processes; determine if the work that they would like us to fund fits our priorities and ultimately make sure that we are not wasting their time with an application that has little chance of success. In these conversations we are also transparent about our success ratios (how many grants we make against how many applications we receive).

Our website is designed to provide all the information that an applicant needs in a clear and transparent way. We include all of our grant criteria; an example of our application form; our scoring system and other tools to make the process as straightforward as possible for the applicant.

As part of our commitment to continuous improvement of our grant making processes, we ask both successful and unsuccessful applicants to rate us on their experience.

Up to the 31<sup>st</sup> March 2024 we found out that:

- 🔴 96.9% of applicants thought the information on our website is useful or very useful
- 🔴 90.5% of applicants thought our application form was very easy or easy to complete
- 🔴 92.6% of applicants felt that we didn't waste their time
- 🔴 99.0% of applicants said that we asked questions that were relevant to their organisation
- 🔴 93.7% of applicants thought we acted with urgency and kept to our published timescales
- 🔴 96.8% of applicants said we were open and transparent
- 🔴 95.8% of applicants said we communicated with purpose
- 🔴 90.5% of applicants said that the time they spent was proportionate to the grant size

### **Our investments**

The Shears Foundation uses three Investment Managers to manage the Shears Foundation assets with the aim of growing the assets and providing funds for grant making and other costs.

In the period from 1<sup>st</sup> July 2023 to 31<sup>st</sup> March 2024 the total investments grew from £17,165,285 to £18,728,564. An increase in fund value of 9.11%.

Total return (investment growth and the funds we have withdrawn for grant making and costs) for the period was 14.04%.

### **FINANCIAL REVIEW**

Total income for the period was £355,535 (2023: £854,842) The foundation's income is mainly derived from investments held. Investment income during the period was £255,535 (2023: £554,842). Trustees have full and absolute powers to invest at their discretion as they see fit for the benefit of the foundation. At the year end the foundation's reserves were £18,103,668 (2023: £16,745,446).

The funds of the foundation have continued to produce sound investment income for future beneficiaries of the foundation.

### **RESERVES POLICY**

The trustees have reviewed the position and consider that the funds are sufficient to continue the current activities of the foundation. The free unrestricted reserves at the end of the year were £18,103,668.

Due to the nature of the Charity the Trustees consider the level of reserves to be minimal to cover six months administration costs including legal fees and travel expenses, this being approximately £90,000. The investment income each year is sufficient to cover these costs and the grant policy.



**Kids Kabin** – a core costs grant of £5,500 to help with running costs for their centre in Walker, Newcastle upon Tyne.

### **Our commitment to the IVAR principles**

In 2021 The Shears Foundation committed to the Institute of Voluntary Action Research (IVAR) Flexible Funders programme, which outlines 8 pledges to improve our grant making. During the year we took part in a peer review programme organised by IVAR which gave us the opportunity to refresh our pledges and look at how we would further develop our practice. In light of this we identified and implemented the following next steps in 2023/24.

#### ***“Don’t waste time”***

We will set up a post application questionnaire (for both successful and unsuccessful applicants) to get more structured feedback on how well we meet this pledge and how we can improve.

We will use the questionnaire to determine a more accurate guide to how long an application to The Shears Foundation will take.

Phone conversations with applicants (stage two) are currently quite informal. We will introduce a greater degree of structure to ensure consistent information is provided / questions are asked without losing the personal / friendly dimension.

***“Ask relevant questions”***

Our post application questionnaire (for both successful and unsuccessful applicants) will enable us to get more structured feedback on how well we meet this pledge and how we can improve. We will continually review the information that we ask for in the application and its relevance to the assessment process.

We will pay greater attention to our monitoring process, feeding back where appropriate and ensuring that previous monitoring is used effectively as part of our assessment process.

***“Accept risk”***

We will make it more clear in our application process that we are prepared to fund core costs.

We will update our constitution / governing document to be able to fund a wider range of organisations with a charitable purpose, not just registered charities as we do now.

***“Act with urgency”***

We will ensure that stated timescales for grant decision making are adhered to, except in exceptional circumstances.

***“Be open” and “communicate with purpose”***

We will add to our application approved and application rejected emails a line to offer a further conversation about the decision if required.

We will develop our initial application assessment process (pre-trustee consideration) to make it more robust and objective.

We will work to introduce a short six month follow up phone conversation with grant recipients.

We will ensure that, as part of the pre-application telephone conversation, we tell applicants what % of applications are approved on average.

***“Be proportionate”***

We will continue to review our application process, using feedback from our applicant questionnaire to ensure it is proportionate to the size of grants we are making.

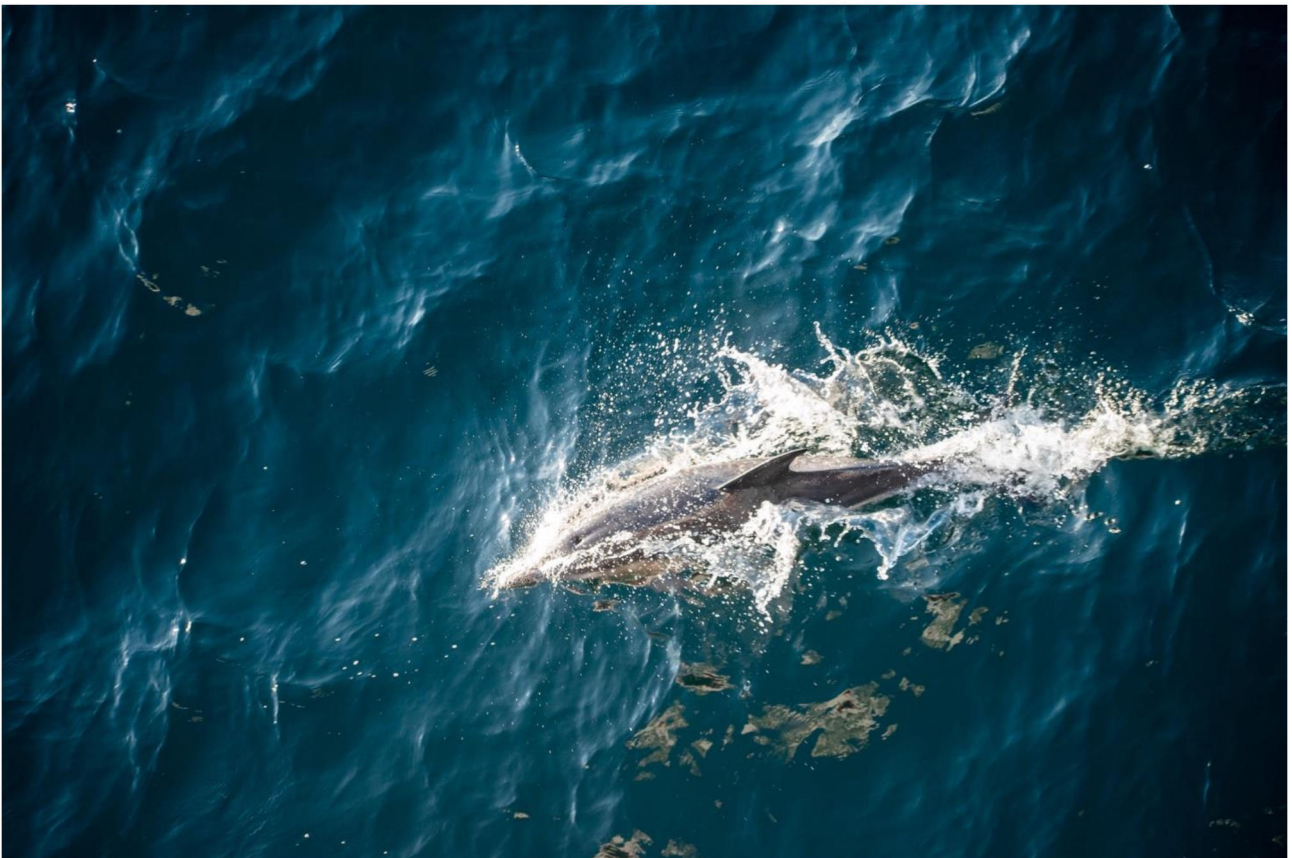
### ***“Enable flexibility”***

We will add to our application approved email a clear indication that, as a flexible funder, we are open to further conversations if the needs of the organisation changes.

We will always be open to conversations with organisations about how our grant will be used and

We will review the sizes of our small and core grants on an annual basis.

We were also asked by IVAR to write a blog for their website on best practice in grant making. In addition, IVAR recommended that several trusts and foundations speak to us about our grant making practice.



***Orca*** – a core costs grant of £5,500 to support monitoring of whale and dolphin populations in order to better protect them, based on ships leaving The Port of Tyne in Newcastle.

### **Our commitment to 360 Giving**

The Shears Foundation has continued to publish grants data to 360 Giving. This is a charity that helps organisations to publish open, standardised grants data, and supports people to use it to improve charitable giving. Up to 31<sup>st</sup> March 2024 we have published 175 grants on 360 Giving. By being part of 360 Giving we help charities in their fundraising by being totally transparent and open about the types of organisations that we support; their locations; the size of our grants and the frequency of our support. This is an invaluable tool for grant seekers.

## Our broader role in the sector

In addition to our commitment to IVAR and 360 Giving, we have committed to developing and promoting good grant making practice across the wider sector.

We have actively supported front line charities with applications to other grant makers, through references and meetings. The high point was supporting *Whitley Fund for Nature* in securing a grant of £2.5million over 5 years from *The Siegfried Rausing Trust*. Contacts with the *LGT Foundation*, *Swire Trusts* and *Badur Foundation* have enabled us to connect them with charities who we have built a relationship with.

Bruce Warnes, our Foundation Manager is a board member of Yorkshire Funders. A charity that provides opportunities for local funding organisations of all sizes and from all sectors to think, share, learn and act together in order to be more effective and boost their impact on Yorkshire people and places.

Bruce Warnes also sits on the Harrogate Local Fund grants panel, contributing to a programme of small grant making in that area.

Mark Horner, our chair, regularly attends meetings of the North East Trusts Secretaries group where many of the grant funders in the north east come together to share information, practice and current challenges.

## The Linden Fund

As well as The Shears Foundation, Trevor and Lyn Shears set up an additional fund with The Community Foundation for Tyne Wear and Northumberland which they manage, with discretionary powers to award grants to charitable organisations – with the broad theme of tackling poverty and disadvantage. In 2023/24 The Linden Fund distributed 19 grants totalling £96,983. On 31<sup>st</sup> March 2024 the fund value was £2.44 million.

## Our AGM

The Shears Foundation AGM is the main opportunity for staff and trustees to come together; review our progress and achievements and strategically plan for the year ahead. The 2023 AGM was attended by all eight trustees, our new administrator, five ambassadors and a representative from our law firm, Womble Bond Dickinson.

Key decisions that were made at our 2023 AGM were:

- To increase our draw down for 2024/25 from 3.6% of the fund value to 4.0% of the fund value
- To limit new applications to those from charities with below £1.5 million income
- To approve nine key policies for the operation and management of The Shears Foundation
- To welcome NSPCC, World Wildlife Fund and The Glasshouse International Centre for Music as core groups
- To develop new social media and Internal Financial Controls policies for implementation in 2024.

### Our Thank you to Lyn Shears

Lyn Shears, co-founder of the Shears Charitable Trust in 1994, recently stepped down from being a trustee to take up a role as *Honorary Lifetime Patron* for the new Shears Foundation CIO. Without Lyn and Trevor's passion for philanthropy and giving something back to the community, there would be no Shears Foundation and no story to tell about the incredible charities we are able to support. The current trustees want to thank Lyn for the vision, commitment and enthusiasm which has created the blueprint for how we do things now.

The trustees also want to thank Lyn for her generous personal donation of £80,000 in the year (on which we were able to claim gift aid) which boosted our grant making capacity by £100,000.

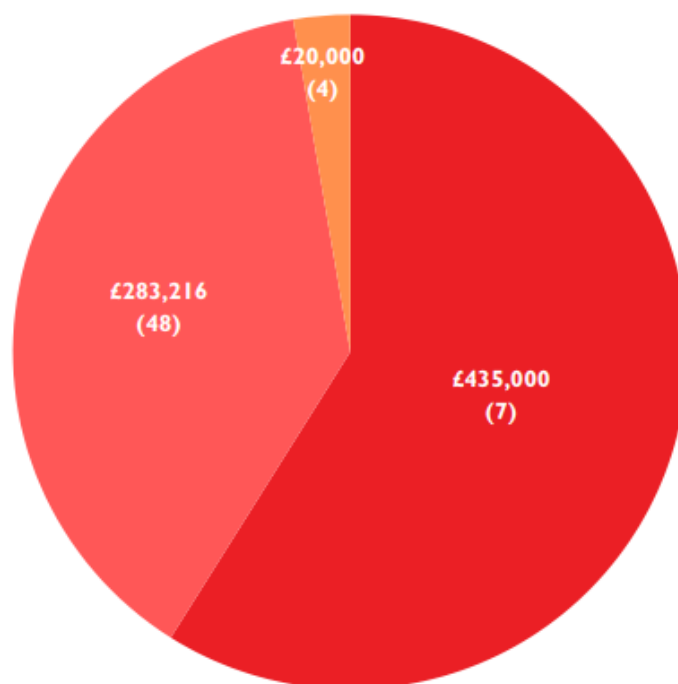
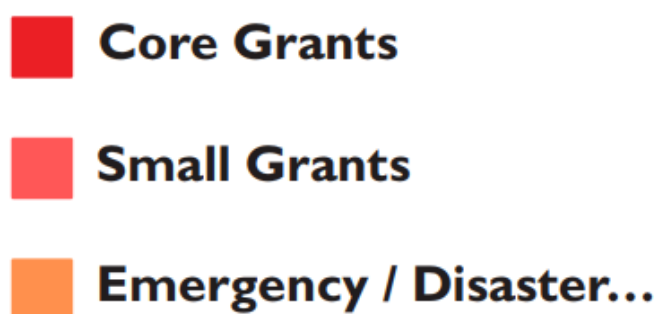


**The Prince's Trust** – who became one of our core groups in 2023. This means they benefit from larger multi-year, unrestricted funding from The Shears Foundation.

## Our year at a glance

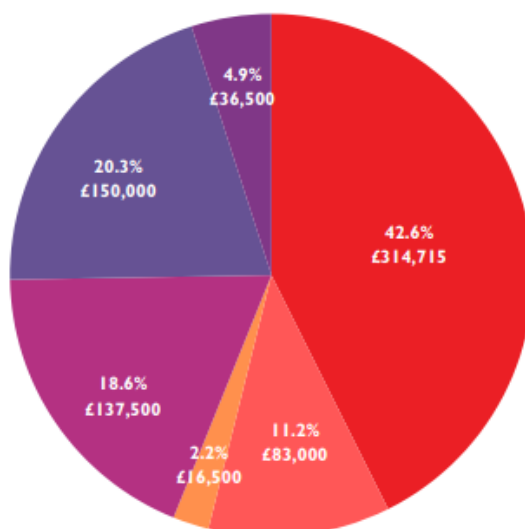
# GRANTS 2023/2024

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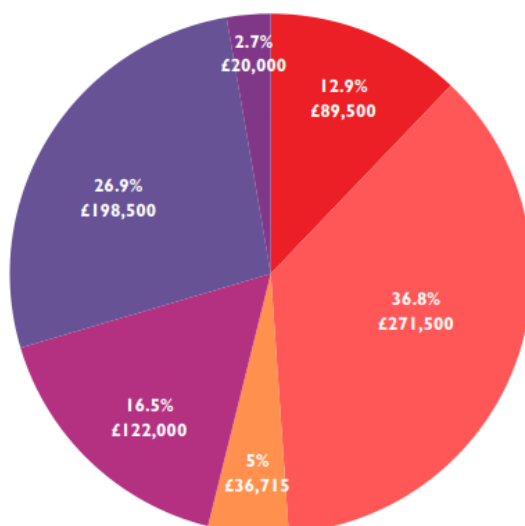
# GEOGRAPHY 2023/2024

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## CATEGORIES 2023/2024

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The foundation is a charitable incorporated organisation constituted under the constitution dated 1 July 2023 and is a registered charity. The foundation was established by an initial gift from TH Shears in 1994 and he added further funds in 1997, 2006, 2008, 2009 and 2010. The foundation does not actively fundraise and seeks to continue the philanthropic work desired by the donor through careful stewardship of its existing resources.

Trustees are recruited, when necessary, by the continuing trustees. New trustees are given appropriate induction to allow them to perform their duties effectively and ongoing training is provided as required to enable the trustees to fulfil their obligations.

The trustees agree the broad strategy and areas of activity of the foundation including consideration of grant making decisions.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The trustees of the Shears Foundation have a duty to identify and review the risks that the charity is exposed to and to ensure appropriate controls are in place to provide reasonable reassurance against fraud, error and reputational damage. The trustees have identified four key risks which are the reliance on the investment portfolio performance, errors in payments of grant funding, grants being used for purposes other than intended by the recipients and the reputational risk of unapproved related party transactions.

The trustees are confident that sufficient mitigations have been implemented.

## **FUTURE PLANS**

The foundation will continue to provide grants from the income received on investments and from the capital funds as the trustees see fit.

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act, the Charities (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.

## **AUDITOR**

BHP LLP were appointed as auditors in the year and have expressed willingness to continue in office. In accordance with S485(4) of the Companies Act 2006 a resolution to reappoint BHP LLP as auditors will be proposed at the Annual General Meeting.

## DISCLOSURE OF INFORMATION TO THE AUDITOR

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by order of the board of trustees and signed on its behalf by

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**B C Warnes**  
**Trustee**

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SHEARS FOUNDATION

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**Opinion**

We have audited the financial statements of The Shears Foundation (the 'charity') for the year ended 31 March 2024, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 charity's affairs as at 31 March 2024, 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 Charities Act 2011.

**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 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**

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 charity'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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SHEARS FOUNDATION (CONTINUED)

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**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 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor 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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SHEARS FOUNDATION (CONTINUED)**

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We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**BHP LLP**

Statutory Auditor  
1 St Mary's Court  
Blossom Street  
York  
YO24 1AH

Date:

BHP LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE PERIOD ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
	Note				
<b>Income and endowments from:</b>					
Donations and legacies	3	100,000	-	100,000	300,000
Investments	4	255,535	-	255,535	554,842
<b>Total income and endowments</b>		<b>355,535</b>	<b>-</b>	<b>355,535</b>	<b>854,842</b>
<b>Expenditure on:</b>					
Raising funds	5	89,101	-	89,101	141,033
Charitable activities	6	811,316	-	811,316	1,606,193
<b>Total expenditure</b>		<b>900,417</b>	<b>-</b>	<b>900,417</b>	<b>1,747,226</b>
<b>Net expenditure before net gains/(losses) on investments</b>		<b>(544,882)</b>	<b>-</b>	<b>(544,882)</b>	<b>(892,384)</b>
Net gains/(losses) on investments	11	1,903,104	-	1,903,104	(31,395)
<b>Net income/(expenditure)</b>		<b>1,358,222</b>	<b>-</b>	<b>1,358,222</b>	<b>(923,779)</b>
Transfers between funds	15	16,930,459	(16,930,459)	-	-
<b>Net movement in funds</b>		<b>18,288,681</b>	<b>(16,930,459)</b>	<b>1,358,222</b>	<b>(923,779)</b>
<b>Reconciliation of funds:</b>	15				
Total funds brought forward as previously stated		294,987	16,930,459	17,225,446	17,669,225
Prior period adjustment		(480,000)	-	(480,000)	-
Total funds brought forward as restated		(185,013)	16,930,459	16,745,446	17,669,225
Net movement in funds		18,288,681	(16,930,459)	1,358,222	(923,779)
<b>Total funds carried forward</b>	15	<b>18,103,668</b>	<b>-</b>	<b>18,103,668</b>	<b>16,745,446</b>

The Statement of financial activities includes all gains and losses recognised in the period. All income and expenditure has arisen from continuing activities.

The notes on pages 25 to 39 form part of these financial statements.

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**THE SHEARS FOUNDATION**

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**BALANCE SHEET**  
**AS AT 31 MARCH 2024**

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		<b>31 March 2024 £</b>	<b>As restated 30 June 2023 £</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Investments	11	<b>18,728,564</b>	17,165,285
		<b>18,728,564</b>	17,165,285
<b>Current assets</b>			
Cash at bank and in hand		<b>157,411</b>	159,341
		<b>157,411</b>	159,341
Creditors: amounts falling due within one year	12	<b>(512,307)</b>	(224,180)
<b>Net current liabilities</b>		<b>(354,896)</b>	(64,839)
<b>Total assets less current liabilities</b>		<b>18,373,668</b>	17,100,446
Creditors: amounts falling due after more than one year	13	<b>(270,000)</b>	(355,000)
<b>Total net assets</b>		<b>18,103,668</b>	16,745,446
<b>Charity funds</b>			
Endowment funds	15	-	16,930,459
Unrestricted funds	15	<b>18,103,668</b>	(185,013)
<b>Total funds</b>		<b>18,103,668</b>	16,745,446

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**B Warnes**

Date:

The notes on pages 25 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Shears Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presenting in sterling and rounded to the nearest £1.

The charity presents its financial statements for a nine month period from 1 July to 31 March 2024. The comparative figures are presented for a fifteen month period from 1 April 2022 to 30 June 2023. For this reason, the comparative figures are not comparable.

**1.2 Going concern**

Due to the level of reserves held, the Trustees have concluded that the charity remains a going concern whilst such viable options are available to it. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

**1.3 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is received by way of donations. Donations are included in full in the Statement of Financial Activities when receivable.

Investment income is recognised at the time it is receivable.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

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

**1.5 Grants payable**

Grants payable are charged in the period when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

**1.6 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

1. Accounting policies (continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees do not consider there to be any key estimates in preparing the financial statements.

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	100,000	100,000	300,000
Total 2023	300,000	300,000	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

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4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income	255,535	255,535	554,842
Total 2023	554,842	554,842	

5. Expenditure on raising funds

*Investment management costs*

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment management charges	89,101	89,101	141,033
Total 2023	141,033	141,033	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

6. Analysis of expenditure on charitable activities

*Summary by fund type*

	Unrestricted funds 2024 £	Total 2024 £	As restated Total 2023 £
Grants paid (note 8)	738,215	<b>738,215</b>	1,510,500
Management	45,827	<b>45,827</b>	63,287
Finance	177	<b>177</b>	331
Governance costs	27,097	<b>27,097</b>	32,075
	<u>811,316</u>	<u><b>811,316</b></u>	<u>1,606,193</u>
Total 2023 as restated	<u>1,606,193</u>	<u>1,606,193</u>	

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £	As restated Total funds 2023 £
Grants paid (note 8)	738,215	-	<b>738,215</b>	1,510,500
Management	-	45,827	<b>45,827</b>	63,287
Finance	-	177	<b>177</b>	331
Governance costs	-	27,097	<b>27,097</b>	32,075
	<u>738,215</u>	<u>73,101</u>	<u><b>811,316</b></u>	<u>1,606,193</u>
Total 2023 as restated	<u>1,510,500</u>	<u>95,693</u>	<u>1,606,193</u>	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

. Analysis of expenditure by activities (continued)

Analysis of support costs

	Management 2024 £	Finance 2024 £	Governance 2024 £	Total funds 2024 £	As restated Total funds 2023 £
Staff costs	4,392	-	-	4,392	-
Consultancy	33,755	-	-	33,755	47,195
Administration costs	3,432	-	-	3,432	11,806
Website	4,248	-	-	4,248	4,286
Bank charges	-	177	-	177	331
Trustees' expenses	-	-	5,830	5,830	5,296
Auditors' remuneration	-	-	17,220	17,220	7,080
Legal and professional fees	-	-	4,047	4,047	19,699
	<u>45,827</u>	<u>177</u>	<u>27,097</u>	<u>73,101</u>	<u>95,693</u>
Total 2023 as restated	<u>63,287</u>	<u>331</u>	<u>32,075</u>	<u>95,693</u>	

7. Auditors' remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	9,500	6,080
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	<u>1,500</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

8. Analysis of grants payable

	As restated Brought forward	Committed in the year (note 6)	Paid during year	Released/ adjusted	Carried forward
	£	£	£	£	£
Abram Wilson Foundation for Creative Arts	-	10,000	(10,000)	-	-
Alzheimer's Research	-	10,000	(10,000)	-	-
Bradford Grammar School	100,000	-	-	-	100,000
British Red Cross	-	20,000	(20,000)	-	-
Changing Lives	40,000	-	-	-	40,000
Community Foundation for Tyne, Wear & Northumberland	160,000	-	(80,000)	-	80,000
Haemochromatosis UK	-	60,000	(20,000)	-	40,000
Heart Wood	-	10,000	-	-	10,000
Karuna Trust	30,000	-	(15,000)	-	15,000
New Beginnings Peer Support	-	10,000	(10,000)	-	-
NSPCC	-	45,000	(15,000)	-	30,000
ORCA	-	10,000	-	-	10,000
Royal College of Surgeons	-	90,000	(30,000)	-	60,000
Samling Institute for Young Singers	-	90,000	(30,000)	-	60,000
St. Oswald's Hospice	90,000	-	(30,000)	-	60,000
The Prince's Trust	-	45,000	(15,000)	-	30,000
Two Ridings Community Foundation	-	60,000	(20,000)	-	40,000
West End Refugee Service	15,000	45,000	(15,000)	-	45,000
Whitley Fund for Nature	60,000	-	-	-	60,000
<b>Grants under £10k by category</b>					-
Creating stronger, better and more sustainable communities	21,500	101,500	(79,000)	-	44,000
Promoting health and medicine with an emphasis on research or education	5,500	38,500	(38,500)	-	5,500
The development and provision of educational opportunities for adults and / or children	32,500	71,215	(76,215)	-	27,500
The development of culture and the arts	21,500	22,000	(32,500)	-	11,000
<b>Total grants 2024</b>	<b>576,000</b>	<b>738,215</b>	<b>(546,215)</b>	<b>-</b>	<b>768,000</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

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Included within creditors are the following grants payable.

	31 March 2024 £	As restated 30 June 2023 £
Grants due in under one year	498,000	221,000
Grants due in over one year	270,000	170,000
	<u>768,000</u>	<u>391,000</u>

9. Staff costs

	2024 £	As restated 2023 £
Wages and salaries	3,818	-
Social security costs	460	-
Contribution to defined contribution pension schemes	114	-
	<u>4,392</u>	<u>-</u>

The prior year staff costs have been restated to remove £47,195 out of staff costs as these were not payroll costs. There was no overall impact to the statement of financial activities for the period to 30 June 2023 as the costs were moved into consultancy expenditure as seen in note 6 above.

The average number of persons employed by the charity during the period was as follows:

2024 No.	2023 No.
<u>1</u>	<u>-</u>

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

Key management personnel are considered to be the trustees.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

**10. Trustees' remuneration and expenses**

During the period, one Trustee received remuneration as disclosed in note 19. No other Trustees received any remuneration of benefits in the current or previous year.

During the period ended 31 March 2024, expenses totalling £5,830 were reimbursed or paid directly to 2 Trustees (2023 - £5,296 to 2 Trustees) in respect of travelling expenses.

**11. Fixed asset investments**

	Listed investments £	Total 2024 £	As restated Total 2023 £
<b>Cost or valuation</b>			
At 1 July 2023	16,805,221	<b>16,805,221</b>	17,172,816
Additions	2,597,105	<b>2,597,105</b>	4,526,525
Disposal proceeds	(2,917,320)	<b>(2,917,320)</b>	(4,862,725)
Revaluations	1,903,104	<b>1,903,104</b>	(31,395)
At 31 March 2024	<u>18,388,110</u>	<u><b>18,388,110</b></u>	<u>16,805,221</u>
Investment cash	<u>340,454</u>	<u><b>340,454</b></u>	<u>360,064</u>
At 31 March 2024	<u><u>18,728,564</u></u>	<u><u><b>18,728,564</b></u></u>	<u><u>17,165,285</u></u>
Historical cost	<u><u>15,550,506</u></u>	<u><u><b>15,550,506</b></u></u>	<u><u>15,937,126</u></u>

**12. Creditors: Amounts falling due within one year**

	31 March 2024 £	As restated 30 June 2023 £
Other creditors	<b>1,107</b>	-
Accruals	<b>511,200</b>	224,180
	<u><u><b>512,307</b></u></u>	<u><u>224,180</u></u>

Included in accruals are grants payable of £498,000 (2023: £221,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

**13. Creditors: Amounts falling due after more than one year**

	31 March 2024 £	As restated 30 June 2023 £
Accruals	<b>270,000</b>	355,000

Accruals falling due after one year all relate to grants payable.

**14. Prior period adjustments**

Previously grants have been recognised in the financial statements in accordance with the annual allocation for the amounts awarded. In order to comply with SORP, the Trustees have taken the decision to recognise grant expenditure in full upon a grant offer being made and communicated. A prior year adjustment has been made to the figures previously reported as at 30 June 2023 to include £480,000 of additional grant expenditure. The effects of this adjustment are shown in the tables below.

**Changes to the statement of financial activity**

<i>For the period ended 30 June 2023</i>	As previously reported £	Adjustment as at 30 June 2023 £	As restated £
Grants paid	1,030,500	480,000	<b>1,510,500</b>
Charitable activities expenditure	1,126,193	480,000	<b>1,606,193</b>
Net movement in funds	(443,779)	(480,000)	<b>(923,779)</b>

**Changes to the balance sheet**

<i>For the period ended 30 June 2023</i>	As previously reported £	Adjustment as at 30 June 2023 £	As restated £
<b><i>Creditors due within one year</i></b>			
Accruals for grants payable	96,000	125,000	<b>221,000</b>
<b><i>Creditors due after one year</i></b>			
Accruals for grants payable	-	355,000	<b>355,000</b>
<b><i>Funds</i></b>			
Unrestricted funds	294,987	(480,000)	<b>(185,013)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

15. Statement of funds

Statement of funds - current period

	As restated Balance at 1 July 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>						
General fund	(185,013)	355,535	(900,417)	16,930,459	1,903,104	18,103,668
<b>Endowment funds</b>						
Capital fund	16,930,459	-	-	(16,930,459)	-	-
<b>Total of funds</b>	<b>16,745,446</b>	<b>355,535</b>	<b>(900,417)</b>	<b>-</b>	<b>1,903,104</b>	<b>18,103,668</b>

Statement of funds - prior period

	Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 30 June 2023 £
<b>Unrestricted funds</b>						
General fund	542,213	854,842	(1,667,226)	85,158	-	(185,013)
<b>Endowment funds</b>						
Capital fund	17,127,012	-	(80,000)	(85,158)	(31,395)	16,930,459
<b>Total of funds</b>	<b>17,669,225</b>	<b>854,842</b>	<b>(1,747,226)</b>	<b>-</b>	<b>(31,395)</b>	<b>16,745,446</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

15. Statement of funds (continued)

The unrestricted funds represents the unrestricted resources available for the general work of the Foundation.

The endowment capital fund represents the initial investment and subsequent additional investments from which the Foundation generates income. The endowment remains unrestricted as there is no restriction in either the application of income or the use of the underlying capital.

**Transfers**

Following a clarification of the terms of the original donation of the fixed asset investments, the Trustees are of the opinion that the investment portfolio is available to be freely spent as the Trustees deem fit. A transfer has been made from endowment funds to unrestricted funds to reclassify all funds as unrestricted to more fairly reflect the nature of the funds of the charity.

16. Summary of funds

Summary of funds - current period

	As restated Balance at 1 July 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
General funds	(185,013)	355,535	(900,417)	16,930,459	1,903,104	18,103,668
Endowment funds	16,930,459	-	-	(16,930,459)	-	-
	<b>16,745,446</b>	<b>355,535</b>	<b>(900,417)</b>	<b>-</b>	<b>1,903,104</b>	<b>18,103,668</b>

Summary of funds - prior period

	Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 30 June 2023 £
General funds	542,213	854,842	(1,667,226)	85,158	-	(185,013)
Endowment funds	17,127,012	-	(80,000)	(85,158)	(31,395)	16,930,459
	<b>17,669,225</b>	<b>854,842</b>	<b>(1,747,226)</b>	<b>-</b>	<b>(31,395)</b>	<b>16,745,446</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2024

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 March 2024 £	Total funds 31 March 2024 £
Fixed asset investments	18,728,564	18,728,564
Current assets	157,411	157,411
Creditors due within one year	(512,307)	(512,307)
Creditors due in more than one year	(270,000)	(270,000)
<b>Total</b>	<b>18,103,668</b>	<b>18,103,668</b>

Analysis of net assets between funds - prior period

	As restated Unrestricted funds 30 June 2023 £	Endowment funds 30 June 2023 £	As restated Total funds 30 June 2023 £
Fixed asset investments	234,826	16,930,459	17,165,285
Current assets	159,341	-	159,341
Creditors due within one year	(224,180)	-	(224,180)
Creditors due in more than one year	(355,000)	-	(355,000)
<b>Total As restated</b>	<b>(185,013)</b>	<b>16,930,459</b>	<b>16,745,446</b>

18. Pension commitments

The charitable company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £114 (2023: £nil). Contributions of £75 (2023: £nil) were payable to the fund at the balance sheet date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Related party transactions**

During the period fees of £33,755 (2023: £47,195) were paid to B Warnes for the provision of management services. Payment of these fees for services provided to the charity has been approved by the charity commission.

During the period the charity received £80,000 (2023: £240,000) from L G Shears OBE, a close family member of a number of the Trustees and a former Trustee of the predecessor charity. The charity was able to claim gift aid of a further £20,000 (2023: £60,000) on the total donated.

**20. Merger accounting**

The Shears Foundation was registered as a charitable incorporated organisation ('CIO') with registration number 1202285 on 1 July 2023.

The Shears Foundation unincorporated charity with registration number 1049907 merged with the new CIO on 1 July 2023 and as such merger accounting has been used in these financial statements. The assets, liabilities and funds of the combining charities are presented as though they had always been part of the same reporting charity.

The results of the combining charities pre and post merger have been disclosed in the notes below in line with SORP (FRS 102) requirements.

**Analysis of principal SOFA components for current period**

	Unincorporated charity (pre- merger) 2024 £	CIO (pre- merger) 2024 £	CIO (post- merger) 2024 £	Combined total 2024 £
Total income	-	-	355,535	355,535
Total expenditure	-	-	(855,417)	(855,417)
<b>Net expenditure</b>	-	-	(499,882)	(499,882)
Gains on investments	-	-	1,903,104	1,903,104
<b>Net movement in funds</b>	-	-	1,403,222	1,403,222

All of the above income was unrestricted. Of the expenditure, £80,000 was from the endowment fund and £775,417 was unrestricted. All of the gains on investments were into the endowment fund.

NOTES TO THE FINANCIAL STATEMENTS  
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Analysis of principal SOFA components for prior period

	As restated Unincorporated charity 2023 £	CIO 2023 £	Combined total 2023 £
Total income	854,842	-	854,842
Total expenditure	(1,562,226)	-	(1,562,226)
<b>Net income/(expenditure)</b>	<b>(707,384)</b>	<b>-</b>	<b>(707,384)</b>
Losses on investments	(31,395)	-	(31,395)
<b>Net movement in funds</b>	<b>(738,779)</b>	<b>-</b>	<b>(738,779)</b>
<b>Total funds brought forward</b>	<b>17,669,225</b>	<b>-</b>	<b>17,669,225</b>
<b>Total funds carried forward</b>	<b>16,930,446</b>	<b>-</b>	<b>16,930,446</b>

All of the above income was unrestricted. Of the expenditure, £80,000 was from the endowment fund and £1,482,226 was unrestricted. All of the losses on investments were out of the endowment fund.

Analysis of net assets at the date of merger

	As restated Unincorporated charity at 1 July 2023 £	CIO at 1 July 2023 £	Combined total at 1 July 2023 £
Net assets	16,930,446	-	16,930,446
<b>Represented by:</b>			
Unrestricted funds	(13)	-	(13)
Endowment funds	16,930,459	-	16,930,459
<b>Total funds</b>	<b>16,930,446</b>	<b>-</b>	<b>16,930,446</b>