

THE MARGARET KILLBERY FOUNDATION
REPORT AND STATUTORY ACCOUNTS
YEAR ENDED 31 DECEMBER 2019

THE MARGARET KILLBERY FOUNDATION
I N D E X

Year ended 31 December 2019

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THE MARGARET KILLBERY FOUNDATION

REPORT OF THE TRUSTEES

Year ended 31 December 2019

The Trustees present their report and accounts of the Foundation for the year ended 31st December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The Foundation was constituted on 5th January 2018 and is governed by the trust deed. The Foundation is a Charitable Incorporated Organisation.

The identification and appointment of new trustees is considered by the existing trustees. A new trustee may be appointed by a resolution of a meeting of the trustees.

The trustees who served during the year are shown in the 'Reference and administrative details' section below. All trustees give of their time freely and no trustee remuneration was paid during the period. The major risks to which the Foundation is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

Objectives and activities for the public benefit

The Foundation's objects are to advance the education of people in the subjects of music and the arts. The Foundation makes grants to organisations and individuals in accordance with its objects and are agreed by the trustees.

The Trustees, having regard to the Public Benefit guidance published by the Charity Commission, in accordance with Section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in Section 4 of the same Act.

Financial review

The financial statements are set out on pages 7 to 9.

The Foundation received a further donation from the settlor and trustee, Richard Davey during the period. The trustees have appointed investment managers to invest in a wide range of quoted bonds and securities. Since the year-end, the value of these investments has been adversely affected by coronavirus, but the trustees are optimistic that this is temporary and that markets will recover.

The trustees' policy is to apply income and capital towards the promotion of its objects.

At the period end, the Foundation had reserves of £2,910,842 (2018: £5,000).

The financial performance of the Foundation is dependent upon further donations received from the settlor and investment performance. There is a risk that the value of investments could fall, affecting the ability of the trustees to make donations from income.

THE MARGARET KILLBERY FOUNDATION

REPORT OF THE TRUSTEES continued

Year ended 31 December 2019

Achievements and performance and plans for the future

The success of the Foundation is measured in terms of the level of donations it receives and from investment income.

The Foundation's plans for the future rest on the charitable intentions of the settlor.

Reference and administrative details

Settlor	Richard Davey
Date of settlement	5 January 2018
Charity registration number	1176581
Trustees	Richard Davey Christopher O'Callaghan Nicholas O'Callaghan Benjamin Davey Zachary Davey
Registered address	128 Freston Road London W10 6TF

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 charity 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 the financial statements, the Trustees are required to:

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

THE MARGARET KILLBERY FOUNDATION

REPORT OF THE TRUSTEES continued

Year ended 31 December 2019

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor

The Trustees appointed Dunne & Waterman as the charity's auditor. They have expressed their willingness to continue in this capacity.

Approved by the Trustees on 22nd April 2020 and signed on their behalf by:

Richard Davey

Trustee

THE MARGARET KILLBERY FOUNDATION

AUDITOR'S REPORT

Year ended 31 December 2019

Independent auditor's report to the trustees of The Margaret Killbery Foundation

Opinion

We have audited the accounts of The Margaret Killbery Foundation for the year ended 31 December 2019 which comprises the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion the accounts

- Give a true and fair view of the state of the charitable entity's affairs as at 31 December 2019 and of its statement of financial activities for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, 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.

In accordance with the exemption provided by FRC's Ethical Standard- Provisions Available for Audits of Small Entities, we have assisted with the preparation of the accounts.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- The trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the

THE MARGARET KILLBERY FOUNDATION

AUDITOR'S REPORT continued

Year ended 31 December 2019

- going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the report of the trustees is inconsistent in any material respect with the financial statements, or
- Sufficient accounting records have not been kept, or
- The 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 accounts 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 for accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 ISA's (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

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AUDITOR'S REPORT continued

Year ended 31 December 2019

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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matter – comparative figures

Comparative figures have not been audited, as the charity was not required to undergo and audit.

Mark Waterman

(Senior Statutory Auditor)

For and on behalf of

Dunne & Waterman

Accountants and Statutory Auditors

36 Whitefriars Street

London

EC4Y 8BQ

20th May 2020

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2019

	Note	Unrestricted Fund 2019 £	Unrestricted Fund 2018 £
Incoming resources			
Donations received		2,340,119	5,000
Gift aid receivable		585,030	-
Investment income		14,769	-
Total incoming resources		<u>2,939,918</u>	<u>5,000</u>
Resources expended			
Charitable activities - donations	6	32,500	-
Governance costs	7	12,405	-
Total resources expended		<u>44,905</u>	<u>-</u>
Net incoming resources		2,895,013	5,000
Investment gains		16,259	-
Exchange loss on investments		(5,430)	-
Net movement of funds		<u>2,905,842</u>	<u>-</u>
Funds brought forward		5,000	-
Funds carried forward		<u>2,910,842</u>	<u>5,000</u>

BALANCE SHEET

At 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	2	2,023,124	-
Current assets			
Debtors		2,475	-
Cash at bank		897,443	5,000
Total current assets		899,918	5,000
Liabilities			
Creditors: Amounts falling due within one year		(12,200)	-
Net current assets		887,718	5,000
Net assets		2,910,842	5,000
The funds of the charity:			
Unrestricted funds		2,910,842	5,000

The financial statements set out on pages 7 to 9 were approved by the Trustees on 22nd April 2020 and were signed on their behalf by:

Richard Davey
Trustee

STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash from operating activities	8	2,686,891	5,000
Investment income		14,769	-
Proceeds from the sale of investments	2	81,241	-
Purchase of investments	2	(1,890,458)	-
Net cash used by investing activities		<u>(1,794,448)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting Period		892,443	-
Cash and cash equivalents at the beginning of the reporting Period		5,000	-
Cash and cash equivalents at the end of the reporting period		<u>897,443</u>	<u>-</u>
 Cash and cash equivalents brought forward		5,000	-
 Net cash inflow		892,443	5,000
 Cash and cash equivalents carried forward		<u>897,443</u>	<u>5,000</u>

Cash and cash equivalents at 31st December 2019 include a term deposit of £500,000 maturing during 2020.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Accounting Policies**(a) Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014, 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 under the going concern basis.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

(b) Fund accounting policy

The Foundation comprises a single unrestricted fund which is available for use at the trustees' discretion in furtherance of the objects of the Foundation.

(c) Investments

Investments are stated at quoted market value at the balance sheet date, less any provision for impairment. All investments are quoted on recognized stock exchanges.

Realised and unrealized gains or losses are shown net in the statement of financial activities.

(d) Foreign currency translation

Transactions in foreign currencies are initially recognized at the rate of exchange ruling at the date of transaction. At each balance sheet date, foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items which are measured at historical cost are translated at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.

(e) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

(f) Tax reclaims on donations

Tax reclaimable on donations is included in the financial statements at the same time as the donation to which they relate.

(g) Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Donations payable in the furtherance of the Foundation's object are accounted for when the recipient has a reasonable expectation that they will receive a donation and the Trustees have agreed to pay the donation without condition or restriction.

NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2019

All expenditure is accounted for on an accruals basis.

	2019	2018
	£	£
2. Investments		
Additions at cost	1,890,458	-
Disposal proceeds	(81,241)	-
Net gains on change in fair value including realisations	16,259	-
	<hr/> 1,825,476	<hr/> -
Cash	197,648	-
Fair value at year end	<hr/> 2,023,124	<hr/> -
Historical cost of investments	<hr/> 1,803,410	<hr/> -
	£	£
Fixed interest and bonds	1,153,506	-
UK equities	168,006	-
Overseas equities	349,660	-
Alternative investments	154,304	-
	<hr/> 1,825,476	<hr/> -

3. Trustees' remuneration and expenses

No trustee received any remuneration or other benefit during the period.

4. Employees

The Foundation did not have any employees during the period

	2019	2018
	£	£
5. Auditor's remuneration		
Audit	2,500	-
Accountancy	2,500	-

6. Donations payable

Donations to organisations	32,500	-
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A donation was made in the year to The Nucleo Project, of which Richard Davey is Trustee.

NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2019

	2019	2018
	£	£
7. Governance costs		
Audit and accountancy	5,000	-
Investment management fees	7,200	-
Sundry charges	205	-
	<u>12,405</u>	<u>-</u>

8. Total funds

All funds are held without restriction

9. Reconciliation of net income to net cash flow from operating activities

	£	£
Net income per Statement of Financial Activities	2,905,842	5,000
Adjustments for:		
Exchange difference	(5,430)	-
Gains on investments	(10,829)	-
Investment income	(14,769)	-
Increase in investment cash	(197,648)	-
Increase in debtors	(2,475)	-
Increase in creditors	12,200	-
Net cash provided by operating activities	<u>2,686,891</u>	<u>5,000</u>