

Registered Company Number: 10722941 (England and Wales)
Registered Charity Number: 1173462

THE PACKARD FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

THE PACKARD FOUNDATION

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THE PACKARD FOUNDATION

ADMINISTRATION DETAILS

REFERENCE AND ADMINISTRATION DETAILS

Registered Company Number

10722941 (England and Wales)

Registered Charity Number

1173462

Principal Office

2 Eaton Gate
London
SW1W 9BJ

Registered Office

Collyer Bristow LLP
4 Bedford Row
London
WC1R 4TF

Trustees

D M Packard
T T M Packard
A M M Packard
M D B Simon
P D Daniel

Managing Director

Jo Living

Independent Examiner

Nikki Crane FCA
Wilson Wright LLP
Chartered Accountants
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

Solicitors

Collyer Bristow LLP
4 Bedford Row
London
WC1R 4TF

Advisors

I G Advisors
201 Borough High Street
London
SE1 1JA

REPORT OF THE TRUSTEES

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report and the financial statements of the Charity for the period ended 31 December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

CONSTITUTION

The charity was formed as a company limited by guarantee on 12 April 2017. The Company registration number is 10722941. Registered with the Charity Commission – Registration Number 1173462.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Packard Foundation (the "Charity") is a Company limited by guarantee and is governed by its Memorandum and Articles of Association dated 12 April 2017.

Method of appointment of Trustees

Any person may be appointed to be a trustee by ordinary resolution, or by a decision of the trustees. The number of trustees should be not less than 3.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are all such objects as are exclusively charitable under the laws of England and Wales.

Significant activities

During the period the Charity has undertaken a number of activities, including:

- Continuing A Million Realities, the Charity's fellowship programme, which champions and supports bold, bright individuals passionate about creating social change;
- Supporting a charity which trains dogs to detect the odour of human disease in order to help people with life-threatening illnesses;
- Providing scholarships for students to attend a top-level UK school; and
- Supporting art and sporting heritage by funding a curator at the National Horseracing museum.

Public benefit statement

The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its Charities and Public Benefit guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly, that the benefit must be to the public or a section of the public. The Trustees consider that they have complied with Section 17 of the Charities Act 2011 including guidance the 'Public benefit: running a charity (PB2)'.

The Trustees are satisfied that the objects and activities of the Charity are within the definition of the Charitable Purposes set down in the Act. The Trustees are not aware of any public detriment caused by the Charity's objective or activities, nor are they aware of anyone receiving any private benefit from the Charity's activities.

**THE PACKARD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Grantmaking

During the year, the Charity has primarily been a grant making charity which supports a variety of charitable causes through grants to other registered charities. The Charity has also undertaken charitable work directly, primarily through its A Million Realities programme.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Multiple, ongoing annual grant funding agreements are in place with several organisations in order to fulfill the charitable objectives outlined above.

Fundraising activities

No major fundraising events were held in the period.

FINANCIAL REVIEW

The Charity receives all of its funding through private donations. During the period ended 31 December 2019, the Charity received £650,000 (year ended 5 April 2019: £500,000) in donations.

Funds in deficit

On incorporation, the Charity was assigned a number of loans when it merged with, and acquired all of the assets and liabilities of, the Packard Trust (registered charity number 1143015). During the year, the Charity continued to have negative reserves as a result of this. The fund deficit was resolved by way of donation subsequent to the year end.

Social Investment

In 2018, a concessionary loan was made to Head Talks Productions CIC, an organisation supporting mental wellbeing. The loan was fully impaired in the prior year.

Reserve policy

The Charity's aim is to maintain minimal reserves.

POST BALANCE SHEET EVENTS

Subsequent to the year-end, the Charity received a donation of £1,575,000 from its major donor. This facilitated the repayment of the Charity's outstanding loan of £1,325,000 due to a trustee.

Covid-19

At the date of approval of these accounts, there is an ongoing global Coronavirus pandemic with severe restrictions on the movement of people in place. Consequently, the Charity and its A Million Realities programme are restricted in the operations they can currently undertake. The Trustees are confident that the Charity's ongoing support from its existing donor will enable the Charity to continue operating as a going concern.

FUTURE AIMS

Although the Trustees intend that the Charity will continue to support its beneficiaries outside of A Million Realities programme, due to its initial success, the Charity is planning to develop the programme further, for example by expanding the total number of fellows.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Packard Foundation for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the Trustees are required to.

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

Trustee: D M Packard

Date: 21 April 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PACKARD FOUNDATION

I report on the accounts of the company for the period ended 31 December 2019 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2016 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the ICAEW which is one of the listed bodies.

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting Requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Nikki Crane FCA
Wilson Wright LLP
Chartered Accountants
Thavies Inn House,
3-4 Holborn Circus,
London, EC1N 2HA.
Date: 15 June 2020

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

		Period ended 31 December 2019 Unrestricted fund	Year ended 5 April 2019 Unrestricted fund
		£	£
Income	Notes		
Donations and legacies		650,000	500,000
Investment income	2	-	223
Total income		<u>650,000</u>	<u>500,223</u>
Expenditure			
Expenditure on Charitable activities	3	561,723	698,384
Total expenditure		<u>561,723</u>	<u>698,384</u>
Net income / (expenditure)		88,277	(198,161)
Total funds at 6 April 2019		(1,299,220)	(1,101,059)
Total funds at 31 December 2019	10	<u>(1,210,943)</u>	<u>(1,299,220)</u>

All income and expenditure has arisen from continuing activities.

THE PACKARD FOUNDATION

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

		Unrestricted Fund 31 December 2019	Unrestricted Fund 5 April 2019
	Notes	£	£
Fixed assets			
Social investments	7	-	-
Current assets			
Trade and other receivables	8	65,466	10,268
Cash at bank		113,189	149,044
		<u>178,655</u>	<u>159,312</u>
Creditors			
Amounts falling due within one year	9	(1,389,598)	(1,458,532)
Net current liabilities		<u>(1,210,943)</u>	<u>(1,299,220)</u>
Total assets less current liabilities		(1,210,943)	(1,299,220)
Net liabilities		<u>(1,210,943)</u>	<u>(1,299,220)</u>
Represented by:			
Funds			
Unrestricted funds	10	(1,210,943)	(1,299,220)
Total funds		<u>(1,210,943)</u>	<u>(1,299,220)</u>

For the financial period ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approved by the Board for issue on 21/04/20

Trustee: D M Packard

Company Registration No. 10722941

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Period ended 31 December 2019	Year ended 5 April 2019
		£	£
Net cash (absorbed) / generated by operating activities	11	<u>(35,855)</u>	<u>47,780</u>
Cash flows from investing activities			
Interest income		<u>-</u>	<u>223</u>
Net cash flow from investing activities		<u>-</u>	<u>223</u>
Net (decrease) / increase in cash and cash equivalents in the year		(35,855)	48,003
Cash and cash equivalents at the beginning of the year		149,044	101,041
Cash and cash equivalents at the end of the year		<u><u>113,189</u></u>	<u><u>149,044</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1 Accounting policies

The charity has changed its accounting reference date from 5 April to 31 December. The period covered by these financial statements is the period 6 April 2019 to 31 December 2019, while the comparative figures cover the period 6 April 2018 to 5 April 2019 so are not entirely comparable. The decision to shorten the accounting period was made to align the financial year end with the charity's operational year end.

The principal accounting policies adopted and judgements in the preparation of the financial statements are as follows:

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with 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) and the Companies Act 2006.

The Charitable company 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 notes.

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

1.2 Going concern

At 31 December 2019, the Charity had net liabilities amounting to £1,210,943. Subsequent to the year end, the Charity's major donor who is also a trustee, has provided a donation of £1,575,000 which has facilitated repayment of the loan of £1,325,000 which is included within these financial statements. On this basis the trustees consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Incoming resources

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.

Donations are recognised when the charity has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.4 Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity from the date of opening the deposit.

1.5 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.6 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments which include bank balances and social investment loans. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.7 Social investments

A concessionary loan was made to Head Talks Production CIC in the 2018 financial year. This loan was interest free, with no fixed repayment date and had been fully impaired in the prior year. The impairment expense was recognised within expenditure on charitable activities.

1.8 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support it.

Governance costs included costs associated with meeting the constitutional and statutory requirements of the charity and are allocated to charitable expenditure.

Value added tax is not recoverable and such is included in the relevant costs in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or are raised for particular related purposes.

2 Investment income	Period ended 31 December 2019 £	Year ended 5 April 2019 £
Deposit account interest	-	223
3 Expenditure on charitable activities	Period ended 31 December 2019 £	Year ended 5 April 2019 £
Grant expenditure	207,425	229,691
Programme costs	85,828	103,410
Impairment losses on social investment	-	125,000
Governance costs (see note 4)	Support costs	Support costs
Staff costs	28,163	37,560
Other	112,171	66,632
Rental and rates	14,075	24,020
Advisory	Support costs	Support costs
	33,761	18,604
	80,300	93,467
	<u>561,723</u>	<u>698,384</u>

Grant expenditure includes grants to institutions of £149,693 (Year ended 5 April 2019 : £127,425).

Expenditure on charitable activities includes support costs of £268,470 (Year ended 5 April 2019: £240,283), which are allocated in their entirety to charitable activity.

4 Governance costs	Period ended 31 December 2019 £	Year ended 5 April 2019 £
Accountancy	18,290	7,148
Fees for Independent examination	3,500	3,500
Legal fees	6,373	26,912
	<u>28,163</u>	<u>37,560</u>

5 Directors and employee information

A M Packard, who is a trustee and a director, received remuneration from the Charity of £24,760 (Year ended 5 April 2019: £18,845) in their capacity as CEO.

No trustees incurred reimbursable expenses during the period (Year ended 5 April 2019: £1,326). At the balance sheet date reimbursable expenses of £nil (5 April 2019: £595) were owed to trustees.

1 member of staff was paid in the band £60,000 - £70,000 (Year ended 5 April 2019: nil).

The average full time equivalent number of persons employed by the Charity during the period was 3 (Year ended 5 April 2019: 3).

	Period ended 31 December 2019 £	Year ended 5 April 2019 £
Amounts paid to employees of the Charity during the year:		
Salaries and wages	100,611	60,771
Pension costs	3,653	1,839
Social security costs	7,907	4,022
	<u>112,171</u>	<u>66,632</u>

The Charity considers its key management personnel to be the directors.

These payments were made in accordance with the powers of the Charity's governing document.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

6 Pension costs

The Charity contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge representing contributions payable by the charity to the fund amounted to £3,653 (Year ended 5 April 2019: £1,839). As at 31 December 2019 £837 (5 April 2019: £nil) remained unpaid.

7 Social investments

**Programme
related
investments
loans
£**

Cost

At 6 April 2019 & 31 December 2019

125,000

Impairment

At 6 April 2019

125,000

Impairment losses

-

At 31 December 2019

125,000

Carrying amount

At 31 December 2019

-

At 6 April 2019

-

8 Debtors

**Period ended
31 December 2019
£**

**Year ended
5 April 2019
£**

Other debtors

65,466

10,268

9 Creditors: Amounts falling due within one year

**Period ended
31 December 2019
£**

**Year ended
5 April 2019
£**

Trade payables

9,010

38,975

Grant payables

38,567

80,000

Other taxation and social security

4,644

4,557

Accruals

11,540

10,000

Other creditors

837

-

Other loans

1,325,000

1,325,000

1,389,598

1,458,532

Included in other loans is £1,325,000 (5 April 2019: £1,325,000) owed to the Company's trustee, D M Packard. The loan is interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

10	Movement in funds		Net movement in funds £
	Balance as at 6 April 2018		(1,101,059)
	Year ended 5 April 2019		
	Unrestricted fund		(198,161)
	Balance at 5 April 2019		<u>(1,299,220)</u>
	Period ended 31 December 2019		
	Unrestricted fund		88,277
	Balance at 31 December 2019		<u>(1,210,943)</u>
11	Cash generated from operations	Period ended 31 December 2019 £	Year ended 5 April 2019 £
	Net movement in funds for the period	88,277	(198,161)
	Adjustments for:		
	Impairment of loan	-	125,000
	Interest income	-	(223)
	Movement in working capital		
	Increase in debtors	(55,198)	(10,268)
	(Decrease)/Increase in creditors	(68,934)	131,432
	Cash flow (absorbed) / generated by operating activities	<u>(35,855)</u>	<u>47,780</u>
12	Operating lease commitments		
	Lessee		
	At the reporting date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:		
		Period ended 31 December 2019 £	Year ended 5 April 2019 £
	Within one year	<u>10,260</u>	<u>19,200</u>
13	Related Party Transactions		
	During the year, governance costs included legal work undertaken by Collyer Bristow LLP, an entity in which M D B Simon and P D Daniel, who are trustees of the Charity, are partners. Fees payable for the period were £6,373 (Year ended 5 April: £26,912), of which £900 (Year ended 5 April: £9,225) was outstanding at the balance sheet date.		