

**MICHAEL AND SARAH SPENCER FOUNDATION**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD TO 31 MARCH 2020**

**MICHAEL AND SARAH SPENCER FOUNDATION**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD TO 31 MARCH 2020**

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**MICHAEL AND SARAH SPENCER FOUNDATION**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Register Charity Name	Michael and Sarah Spencer Foundation
Charity Number	1184658
Principal Address	3rd Floor 39 Sloane Street London SW1X 9LP
Trustees	Lord Michael Alan Spencer Lady Sarah Spencer Ms Marina Bozica Ritossa
Auditor	Goldwins Limited Chartered Accountants and registered auditors 75 Maygrove Road West Hampstead London NW6 2EG
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP
Solicitors	Trowers & Hamlins LLP The Senate Southernhay Gardens Exeter EX1 1UG

# **MICHAEL AND SARAH SPENCER FOUNDATION**

## **TRUSTEES' REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

The trustees present their report and accounts for the period ended 31 March 2020.

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 (FRS102- effective 1 January 2015- (Charities SORP FRS 102).

#### **Structure, governance and management**

The Governing Document is a Trust Deed dated 10 April 2019. The trustees meet quarterly to determine the general policy of the charity.

The Trustees who served the charity during the period were as follows:

Lord Michael Alan Spencer – appointed 10 April 2019  
Lady Sarah Spencer – appointed 10 April 2019  
Ms Marina Bozica Ritossa – appointed 10 April 2019

None of the trustees have any beneficial interest in the charity.

#### **Risk management**

The trustees have assessed the major risks to which the charity is exposed. They have reviewed the ability of the charity to meet its future commitments. The trustees are satisfied that systems are in place to mitigate such risks.

#### **Objects and activities**

The objects of the charity are to further such charitable purposes which may be charitable according to the law of England and Wales and to provide support to other registered charities as the trustees in their discretion see fit from time to time in particular but not limited to:

1. The relief of sickness and preservation of health among people anywhere in the world by providing and assisting in the provision of equipment facilities and services;
2. The prevention or relief of poverty anywhere in the world by providing grants, items and services to individuals in need and to charities or other organizations working to prevent or relieve poverty;
3. For the benefit of the public to promote the education of people anywhere in the world in such ways as the trustees think fit including by the provision of grants and financial assistance to enable individuals to study at any school college or university or other education institution and assisting any charity or other institution whose aims include advancing the education of people anywhere in the world.
4. The advancement of environmental protection and improvement for the benefit of the public by the protection and conservation of animals.

# **MICHAEL AND SARAH SPENCER FOUNDATION**

## **TRUSTEES' REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

#### **Grant Making policy**

The Trust has established its grant making policy to achieve the Trusts objectives to support other registered charities. The Trust welcomes grant applications which are discussed in the quarterly meetings attended by all Trustees.

#### **Public Benefit**

The principal activities of the charity during the period continued to be to achieve the objectives as stated above. The trustees are aware of the Charity Commission guidance on public benefit reporting as set out in Section 17 Charities Act 2011. The trustees believe that the charity achieves a public benefit.

#### **Achievements and performance**

During the period the charity has received funds which has enabled the charity to make donations in excess of £12.4m to worthy causes. Within the donations made £6.25m has been donated to Worth Abbey School Development, and £5m to Corpus Christi College.

#### **Financial review**

During the period the charity received total income of £12,513,290 and paid support costs of £17,794 leaving a surplus of funds before grants of £12,495,496. Of this £12,407,147 was granted in furtherance of the charity's objectives. There was therefore a surplus for the period of £88,349 which was the charity's reserves at the end of the period.

The trustees are satisfied with the results and activities during the period.

#### **Reserves Policy**

The charity's reserves policy is to create sufficient reserves to enable the charity to continue its activities and services at a meaningful level, should there be a drop in income. As all income is derived from voluntary donations, the trustees review this position on a regular basis.

#### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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 income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

# **MICHAEL AND SARAH SPENCER FOUNDATION**

## **TRUSTEES' REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

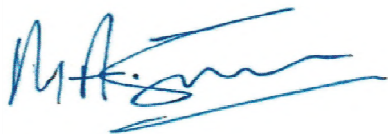
#### **Disclosures of information to auditors**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

#### **Auditors**

A resolution to re-appoint Goldwins Limited as the charity's auditor will be proposed at the forthcoming Trustees' Meeting.

Approved by the trustees on 21<sup>st</sup> January 2021 and signed on their behalf by:



.....

**Lord Michael Alan Spencer**  
**Trustee**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MICHAEL AND SARAH SPENCER FOUNDATION**

### **Opinion**

We have audited the financial statements of Michael and Sarah Spencer Foundation for the period ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, 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 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 2020 and of its income and expenditure for the period 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 for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MICHAEL AND SARAH SPENCER FOUNDATION**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 financial statements 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**

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MICHAEL AND SARAH SPENCER FOUNDATION**

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.

### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the 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 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.

**Goldwins Limited  
Statutory Auditor  
Chartered Accountants  
75 Maygrove Road  
West Hampstead  
London NW6 2EG**

22/01/2021

**MICHAEL AND SARAH SPENCER FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE PERIOD ENDED 31 MARCH 2020**

**INCLUDING INCOME AND EXPENDITURE ACCOUNT**

		Unrestricted £	Restricted £	2020 Total £
<b>Income from:</b>	<b>Note</b>			
Donations	2	12,508,043	-	12,508,043
Investment income		5,247	-	5,247
		<hr/>	<hr/>	<hr/>
<b>Total income</b>		12,513,290	-	12,513,290
		<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>				
Charitable activities	3	12,424,941	-	12,424,941
		<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>		12,424,941	-	12,424,941
		<hr/>	<hr/>	<hr/>
<b>Net income for the period</b>		88,349	-	88,349
Transfers between funds		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		88,349	-	88,349
		<hr/>	<hr/>	<hr/>
<b>Reconciliation of funds:</b>				
Total funds brought forward		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>		88,349	-	88,349
		<hr/>	<hr/>	<hr/>

All of the above results are derived from continuing activities.

The attached notes form part of these financial statements.

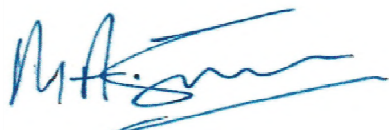
**MICHAEL AND SARAH SPENCER FOUNDATION**

**BALANCE SHEET**

**AS AT 31 MARCH 2020**

	Note	£	2020 £
<b>Current Assets</b>			
Cash at bank and in hand		93,749	
		<hr/>	
		93,749	
Creditors: amounts falling due within one year	5	(5,400)	
		<hr/>	
<b>Net current assets</b>			88,349
<b>Total assets less current liabilities</b>			<hr/>
			88,349
			<hr/> <hr/>
<b>Income funds</b>	7		
Restricted funds			-
Unrestricted funds			88,349
			<hr/>
			88,349
			<hr/> <hr/>

Approved by the trustees on 21/01/2021.  
and signed on their behalf by:



.....  
**Lord Michael Alan Spencer**  
**Trustee**

**MICHAEL AND SARAH SPENCER FOUNDATION**

**CASH FLOW STATEMENT**

**AS AT 31 MARCH 2020**

	Note	£	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	8		93,749
<b>Cash flows from investing activities:</b>			
Sale/ (purchase) of fixed assets		-	
Sale/ (purchase) of investments		-	
<b>Cash provided by / (used in) investing activities</b>		-	
<b>Change in cash and cash equivalents in the period</b>			93,749
Cash and cash equivalents at the beginning of the period			-
Cash and cash equivalents at the end of the period	9		93,749

# **MICHAEL AND SARAH SPENCER FOUNDATION**

## **NOTES TO THE ACCOUNTS**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

#### **1. ACCOUNTING POLICIES**

##### **a) Basis of preparation**

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 2015) - (Charities SORP FRS 102).

The charity 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 or note.

##### **b) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

##### **c) Interest receivable**

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.

##### **d) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of 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 for specific projects being undertaken by the charity.

##### **e) Expenditure**

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.

##### **f) Cash at bank and in hand**

Cash at bank and cash 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.

**MICHAEL AND SARAH SPENCER FOUNDATION**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD 31 MARCH 2020**

2.	<b>Donations</b>	<b><u>2020</u></b>
		<b><u>£</u></b>
	Monetary donations	12,508,043
		=====
3.	<b>Charitable activities</b>	<b><u>£</u></b>
	<u>Grants to institutions:</u>	
	Worth Abbey School Development	6,250,000
	Corpus Christi College	5,000,000
	Other grants	1,157,147
		-----
		12,407,147
	<u>Support costs:</u>	
	Legal and professional	11,880
	Website	510
	Bank charges	8
	Foreign exchange difference	(4)
	Audit fee	5,400
		-----
		17,794
		-----
	Total expenditure	12,424,941
		=====
4.	<b>Net income for the period</b>	
	This is stated after charging :	<b>2020</b>
		<b>£</b>
	Auditor's remuneration:	
	Audit fees	5,400
		=====
5.	<b>Creditors: amounts falling due within one year</b>	
		<b>2020</b>
		<b>£</b>
	Accruals	5,400
		-----
		5,400
		=====

# **MICHAEL AND SARAH SPENCER FOUNDATION**

## **NOTES TO THE ACCOUNTS**

### **FOR THE PERIOD 31 MARCH 2020**

#### **6. Analysis of net assets between funds**

	Unrestricted £	Restricted £	Total funds £
Net current assets	88,349	-	88,349
<b>Net assets at the end of the period</b>	<b>88,349</b>	<b>-</b>	<b>88,349</b>

#### **7. Movements in funds**

	At the start of the period £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the period £
<b>Total unrestricted funds</b>	-	12,513,290	(12,424,941)	-	88,349
<b>Total funds</b>	-	12,513,290	(12,424,941)	-	88,349

#### **8. Reconciliation of net income /(expenditure) to net cash flow from operating activities**

	<b>2020</b>
	<b>£</b>
<b>Net income /(expenditure) for the reporting period (as per the statement of financial activities)</b>	88,349
Increase/ (decrease) in creditors	5,400
	-----
<b>Net cash provided by / (used in) operating activities</b>	93,749
	=====

## **MICHAEL AND SARAH SPENCER FOUNDATION**

### **NOTES TO THE ACCOUNTS**

#### **FOR THE PERIOD 31 MARCH 2020**

9. **Analysis of cash and cash equivalent**

	10 April 2019	Cash flow	At 31 March 2020
	£	£	£
Cash at bank and in hand	-	93,749	93,749
Total cash and cash equivalent	<u>-</u>	<u>93,749</u>	<u>93,749</u>
	=====	=====	=====

10. **Emoluments of the trustees**

The trustees did not receive any remuneration during the period.

There were no employees in the period.

There were no employee benefits payments to key management personnel in the period.

11. **Related party transactions**

Donations of £12.5m have been received from IPGL Limited, a wholly owned subsidiary of IPGL (Holdings) Limited. The ultimate controlling party is Lord Michael Alan Spencer by virtue of his shareholdings in IPGL (Holdings) Limited.

During the period a trustee also donated £5,000.

12. **Taxation**

The charity is exempt from income tax as all its income is charitable and is applied for charitable purposes.

13. **Post balance sheet event**

The World Health Organization declared the outbreak of COVID-19 a pandemic in March 2020. As we progress through 2020, more information is coming to light on the scale and impact of coronavirus. The pandemic might have a significant financial effect and it might lead to reduction in future donations.