

1178872

Company Registration No. 10971266 (England and Wales)

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

These accounts:
replace the original accounts
are now the statutory accounts
are prepared as they were at the date of the original accounts

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R P Wadhams Mr R C Capildeo Ms K Whitley	(Appointed 4 December 2019)
Charity number	1178872	
Company number	10971266	
Registered office	26 Bury Street London SW1Y 6AL	
Independent examiner	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

**COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE PERIOD ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the period ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The Colnaghi Foundation is a UK registered charity with a mission to foster the study of pre-twentieth-century art and antiquities by supporting and promoting research, exhibitions, publications, conservation, and education projects. Our online and social media platforms, bi-annual journal, learning experiences, and new Academy programme bring together scholars, curators, institutions, and collectors to reach out to a wide audience. In addition to Colnaghi Studies Journal, initiatives include Colnaghi Foundation Lates events and masterclasses linked to current exhibitions and new publications (held at the Foundation's premises in central London and New York as well as at other international venues); podcasts and short films; and mini-websites on themes such as "The Grand Tour" and "The Practice of Drawing", visually-exciting introductions to rich art-historical subjects.

The charity aims to advance the education of the public in the appreciation of fine and decorative arts, in particular of master works of art in the UK and abroad by:

- Fundraising and making donations as the trustees in their discretion see fit to accredited museums and charities worldwide that further the appreciation of art and culture;
- Conducting and commissioning research into the study of works of art;
- Preserving, maintaining, and providing access to the books, letters, manuscripts and other papers making up the Colnaghi archive; and
- Charitable arts and cultural purposes connected with the above.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The charity was incorporated as a company limited by guarantee in England and Wales on 19 September 2017, registered company number 10971266, and registered as a charity with the Charity Commission on 21 June 2018, registered number 1178872.

Grant making policy

To make donations as the trustees in their discretion see fit to accredited museums and charities worldwide that further the appreciation of art and culture.

Achievements and performance

The main activities were the commissioning, editing, publication and dissemination of two issues of Colnaghi Studies Journal; the organization and hosting of several Masterclasses at the Wallace Collection; the filming and editing of 5 x 15 minute documentaries on each of the Masterclasses and short films about the contemporary artists involved, all of which were disseminated via the Foundation's Vimeo Channel; and the organization of several Curators in Conversation events which were again filmed and disseminated via the Vimeo Channel. Other educational events included a talk by the Director at Masterpiece fair.

**COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Financial review

Incoming resources for the year total £232,627 (2018: £224,341).

Resources expended for the year total £240,508 (2018: £257,922).

In 2018-19 funding for the Foundation came from a number of sources including Colnaghi gallery, the Tavolozza Foundation, the Charles Douglas Home Memorial Trust, Boodle and Hatfield LLP, a number of individual and corporate donations.

The principal expenses in 2018-19 were salaries of the Director, Manager, and Editor of Colnaghi Studies Journal (all part-time and of the full-time Administrator. There were also the costs of image licences, design, editing and printing for two issues of Colnaghi Studies Journal, website design and hosting, those associated with running Curators in Conversation events (like transport of chairs and wine) and recording the talks as podcasts, and some travel and miscellaneous expenses.

The Trustees have adopted a policy that, where possible, a general fund cash reserve will be maintained. The charity is supported by Coll Fine Arts Limited and Colnaghi Holdings Limited who are fully funded.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The plans for the future are to continue with educational projects which fall within the Charity's objectives, to increase our fundraising capacity in order to diversify our income sources, and to increase the number of trustees to five.

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

Structure, governance and management

The charity is a company limited by guarantee with no share capital. The charity is governed by its Memorandum and Articles of Association which defines its aim, objects, duties and responsibilities.

Coll Fine Arts Limited have guaranteed £10 in the event of the winding up of the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

Mr R P Wadhams

Mr R C Capildeo

Ms K Whitley

(Appointed 4 December 2019)

Trustee recruitment and appointment

Trustees will be sought from within the museums and galleries sector. They will be appointed at a Trustees' meeting.

Trustees meet quarterly with minutes taken and acted upon. The Board of trustees has been expanded after the year end. Day to day decisions are delegated to the Director and Manager.

The trustees' report was approved by the Board of Trustees.



.....
Mr R P Wadhams

Trustee

Dated: 17th June 2021

**COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF COLNAGHI FOUNDATION**

I report to the trustees on my examination of the financial statements of Colnaghi Foundation (the charity) for the period ended 31 December 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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 (FRS 102).

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

DSG Chartered Accountants

DSG

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Dated: 06/17/2021

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Unrestricted funds 2018 £
<u>Income and endowments from:</u>			
Donations and legacies	3	215,057	224,341
Other income	4	17,570	57
Total income		<u>232,627</u>	<u>224,398</u>
<u>Expenditure on:</u>			
Charitable activities	5	<u>240,432</u>	<u>257,922</u>
Net expenditure for the year/ Net movement in funds		(7,805)	(33,524)
Fund balances at 1 October 2018		(33,524)	-
Fund balances at 31 December 2019		<u>(41,329)</u>	<u>(33,524)</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	10	1,032		9,698	
Cash at bank and in hand		11,361		13,058	
		<u>12,393</u>		<u>22,756</u>	
Creditors: amounts falling due within one year	11	(53,722)		(56,280)	
Net current liabilities			(41,329)		(33,524)
Income funds					
Unrestricted funds			(41,329)		(33,524)
			<u>(41,329)</u>		<u>(33,524)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 December 2019.

The director acknowledges his responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 17th June 2021



Mr R P Wadhams
Trustee

Company Registration No. 10971266

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Colnaghi Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is First Floor, 104-108 Oxford Street, London, W1D 1LP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Donations and gifts	<u>215,057</u>	<u>224,341</u>

4 Other income

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Other income	17,570	-
Bank interest	-	57
	<u>17,570</u>	<u>57</u>

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

5 Charitable activities

	2019	2018
	£	£
Staff costs	37,458	18,495
Filming expenses	60,665	22,329
Image rights	5,314	6,555
Travel expenses	2,458	3,703
Research and consultancy	47,970	40,420
Professional charges	29,265	26,600
Editorial costs	16,000	12,831
Postage and stationery	1,673	1,264
Publication	39,244	-
IT and computing fees	625	5,496
Foreign exchange contracts	(111)	374
Health insurance	2,106	693
Bank charges	2,284	26
Sundry expenses	7,975	3,657
	<u>252,926</u>	<u>142,443</u>
Grant funding of activities (see note 6)	<u>(12,494)</u>	<u>115,479</u>
	<u><u>240,432</u></u>	<u><u>257,922</u></u>

6 Grants payable

	2019	2018
	£	£
Grants to institutions:		
Friends of Aacham Musuem	(12,494)	22,651
Wallace Collection	-	70,000
Detroit Institue of Fine Art	-	7,140
Hispanic Society of America	-	7,688
	<u>(12,494)</u>	<u>107,479</u>
Grants to individuals	-	8,000
	<u><u>(12,494)</u></u>	<u><u>115,479</u></u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

COLNAGHI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Employees

The average monthly number of employees during the period was: 2

	2019 Number	2018 Number
	<u>1</u>	<u>2</u>
Employment costs	2019 £	2018 £
Wages and salaries	36,052	17,678
Other pension costs	1,406	817
	<u>37,458</u>	<u>18,495</u>
9 Financial instruments	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>267</u>	<u>9,576</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>53,722</u>	<u>55,853</u>
10 Debtors	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	<u>1,032</u>	<u>9,698</u>
11 Creditors: amounts falling due within one year	2019 £	2018 £
Other taxation and social security	-	427
Trade creditors	53,722	14,897
Other creditors	-	40,956
	<u>53,722</u>	<u>56,280</u>