

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

THE PACKARD FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

THE PACKARD FOUNDATION

CONTENTS

	Pages
Reference and Administration Details	1
Report of the Trustees	2 - 4
Independent Auditors Report	5 -7
Statement of Financial Activities	8
Statement of Financial Position	9
Statement of Cash Flow	10
Notes to the Financial Statements	11 to 14

THE PACKARD FOUNDATION

ADMINISTRATION DETAILS

REFERENCE AND ADMINISTRATION DETAILS

Registered Company Number

10722941 (England and Wales)

Registered Charity Number

1173462

Registered Office

First Floor
140 Brompton Road
London
SW3 1HY

Trustees

D M Packard
T T M Packard
A M M Packard
M D B Simon (resigned on 23/02/2021)
P D Daniel (resigned on 23/02/2021)

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

REPORT OF THE TRUSTEES

THE PACKARD FOUNDATION

FOR THE PERIOD ENDED 31 MARCH 2021

The trustees, who also the directors of the Charity for the purposes of the Companies Act 2006, present their report and financial statements for the Charity for the period ended 31st March 2021 which are also prepared to meet the requirements for a directors' reports and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charity's Memorandum and Articles of Association and 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) and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts 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 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) effective from 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, Governance and Management

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.

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. The trustees are appointed and operate in accordance with the Trust Deed. No formal policies have been adopted for the induction and training of trustees.

Trustees

D M Packard

T T M Packard

A M M Packard

M D B Simon (resigned on 23/02/2021)

P D Daniel (resigned on 23/02/2021)

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. The trustees have assessed the major risks to which the Charity is exposed and systems have been established to mitigate these risks.

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.

REPORT OF THE TRUSTEES
THE PACKARD FOUNDATION
FOR THE PERIOD ENDED 31 MARCH 2021

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;
- 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.

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 program.

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 March 2021, the Charity received £2,755,000 (Period ended 31 December 2019: £600,000) in donations.

Reserves and reserves policy

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) and consequently had negative reserves. During the year, the Charity repaid the loan and at the balance sheet date held reserves of £234,424 (2019 - £1,210,943 deficit).

It is the Charity's policy to maintain minimal reserves and subsequent to the year-end the Charity has continued to undertake charitable activities.

Social Investment

In 2018, a concessionary loan was made to Head Talks Productions CIC, an organisation supporting mental wellbeing. This loan is fully impaired in the Charity's books.

REPORT OF THE TRUSTEES
THE PACKARD FOUNDATION
FOR THE PERIOD ENDED 31 MARCH 2021

Events after the reporting date

Subsequent to the year-end, the Charity's A Million Realities fellowship programme has been transferred to a separate legal entity, the A Million Realities Foundation. One of the Charity's trustees, A M M Packard is also a trustee of this new entity.

Future Aims

The trustees intend that the Charity will continue to support the A Million Realities programme, by way of grant and continue to provide support to beneficiaries outside of this programme.

Trustees' responsibilities in relation to the financial statements

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.

By order of the trustees

Trustee: D M Packard

Date: 12 October 2021

INDEPENDENT AUDITOR'S REPORT
THE PACKARD FOUNDATION
FOR THE PERIOD ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of The Packard Foundation on pages 8 to 14 for the period ended 31 March 2021. The financial framework that has been applied in the preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 2021 and of its incoming resources and application of resources, for the period 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'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

In auditing the financial statement, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statement 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 company's ability to continue as a going concern for a period of at least 12 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 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.

INDEPENDENT AUDITOR'S REPORT
THE PACKARD FOUNDATION
FOR THE PERIOD ENDED 31 MARCH 2021

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records, or
- certain disclosures of director's remuneration specified by law are not made; 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 set out on page 4, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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.

INDEPENDENT AUDITOR'S REPORT
THE PACKARD FOUNDATION
FOR THE PERIOD ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with Charity regulation, health and safety regulation and tax regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity Acts 2011. We evaluated management's incentives and opportunities for fraud manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the auditors included:

- discussions with the trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- assessing management's significant judgements and estimates in particular those relating to the provision for bad and doubtful debts.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Wilson Wright LLP
Chartered Accountants and Statutory Auditors
Thavies Inn House, 3-4 Holborn Circus
London EC1N 2HA

Date: 18 October 2021

Wilson Wright LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PACKARD FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Period ended 31 March 2021	Period ended 31 December 2019
		Unrestricted fund	Unrestricted fund
		£	£
Income			
Donations and legacies		2,755,000	650,000
Total income		<u>2,755,000</u>	<u>650,000</u>
Expenditure			
Expenditure on Charitable activities	2	1,309,733	561,723
Total expenditure		<u>1,309,733</u>	<u>561,723</u>
Net income		1,445,267	88,277
Total funds at 1 January 2020		(1,210,943)	(1,299,220)
Total funds at 31 March 2021	9	<u><u>234,324</u></u>	<u><u>(1,210,943)</u></u>

All income and expenditure has arisen from continuing activities.

THE PACKARD FOUNDATION

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2021

		31 March 2021 Unrestricted Fund	31 December 2019 Unrestricted Fund
	Notes	£	£
Fixed assets			
Social investments	6	-	-
Current assets			
Trade and other receivables	7	797	65,466
Cash at bank		276,494	113,189
		<u>277,291</u>	<u>178,655</u>
Creditors	8		
Amounts falling due within one year		(42,967)	(1,389,598)
Net current liabilities		<u>234,324</u>	<u>(1,210,943)</u>
Total assets less current liabilities		234,324	(1,210,943)
Net liabilities		<u>234,324</u>	<u>(1,210,943)</u>
Represented by:			
Funds	9		
Unrestricted funds		234,324	(1,210,943)
Total funds		<u>234,324</u>	<u>(1,210,943)</u>

Approved by the Board for issue on 12 October 2021

Trustee: D M Packard

Company Registration No. 10722941

THE PACKARD FOUNDATION

STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Period ended 31 March 2021	Period ended 31 December 2019
		£	£
Net cash generated / (absorbed) by operating activities	10	<u>163,305</u>	<u>(35,855)</u>
Net increase / (decrease) in cash and cash equivalents in the year		163,305	(35,855)
Cash and cash equivalents at the beginning of the year		113,189	149,044
Cash and cash equivalents at the end of the year		<u><u>276,494</u></u>	<u><u>113,189</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

1 Accounting policies

The Charity has changed its accounting reference date from 31 December to 31 March. The period covered by these financial statements is the period 1 January 2020 to 31 March 2021, whilst the comparative figures cover the period 6 April 2019 to 31 December 2019 so are not entirely comparable. The decision to extend the accounting period was made to encompass all results from the Charity's "A Million Realities" programme.

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)-(Charities SORP(FRS 102)) and the Companies Act 2006.

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 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

The Trustees still have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 previous years. 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
FOR THE PERIOD ENDED 31 MARCH 2021

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 Expenditure on charitable activities

		Period ended 31 March 2021	Period ended 31 December 2019
		£	£
Grant expenditure		445,879	207,425
Programme costs		382,995	85,828
Governance costs (see note 3)	Support costs	44,373	28,163
Staff costs	Support costs	230,087	112,171
Other	Support costs	20,164	14,075
Rental and rates	Support costs	32,302	33,761
Advisory	Support costs	125,932	80,300
Recruitment and Training	Support costs	28,001	-
		<u>1,309,733</u>	<u>561,723</u>

Grant expenditure includes grants to institutions of £130,879 (Period Ended 31 December 2019 : £127,425).

Expenditure on charitable activities includes support costs of £480,859 (Period Ended 31 December 2019: £268,470), which are allocated in their entirety to charitable activity from unrestricted funds.

3 Governance costs

	Period ended 31 March 2021	Period ended 31 December 2019
	£	£
Accountancy	10,810	18,290
Auditor's remuneration	11,500	-
Fees for Independent examination	-	3,500
Legal fees	22,063	6,373
	<u>44,373</u>	<u>28,163</u>

4 Directors and employee information

A M M Packard, who is a trustee and a director, received remuneration from the Charity of £36,458 (Period ended 31 December 2019: £24,760) in their capacity as CEO.

1 member of staff received total remuneration in the band £60,000 - £70,000 (Period ended 31 December 2019: 1).

1 member of staff received total remuneration in the band £70,001 - £80,000 (Period ended 31 December 2019: nil).

The average full time equivalent number of persons employed by the Charity during the period was 4 (Period ended 31 December 2019: 3).

	Period ended 31 March 2021	Period ended 31 December 2019
	£	£
Amounts paid to employees of the Charity during the year:		
Salaries and wages	204,913	100,611
Pension costs	6,135	3,653
Social security costs	19,039	7,907
	<u>230,087</u>	<u>112,171</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
FOR THE PERIOD ENDED 31 MARCH 2021

9	Movement in funds		Net movement in funds £
	Balance as at 6 April 2019		(1,299,220)
	Period ended 31 December 2019		
	Income and expenditure account		88,277
	Balance at 31 December 2019		<u>(1,210,943)</u>
	Period ended 31 March 2021		
	Income and expenditure account		1,445,267
	Balance at 31 March 2021		<u>234,324</u>
10	Cash generated from operations	Period ended 31 March 2021 £	Period ended 31 December 2019 £
	Net movement in funds for the period	1,445,267	88,277
	Movement in working capital		
	Decrease/(increase) in debtors	64,669	(55,198)
	Decrease in creditors	(1,346,631)	(68,934)
	Cash flow generated/ (absorbed) by operating activities	<u>163,305</u>	<u>(35,855)</u>
11	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 March 2021 £	Period ended 31 December 2019 £
	Within one year	<u>-</u>	<u>10,260</u>
12	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 are partners. These trustees resigned from the Charity in the period. Fees payable for the period were £22,063 (Period Ended 31 December 2019: £6,373), of which £nil (Period Ended 31 December 2019: £900) was outstanding at the balance sheet date.		
13	Events after the reporting date		
	Subsequent to the year-end, the A Millions Realities programme was transferred to a separate legal entity, the A Millions Realities Foundation.		