



## Annual Report and Financial Statements

For the year ended 31 March 2021

Charity Registration No. 1163956

# The Kentown Wizard Foundation

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# The Kentown Wizard Foundation

## Reference and Administration Details

For the year ended 31 March 2021

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<b>Charity registration number</b>	1163956
<b>Founder</b>	Mr K Townsley
<b>Trustees</b>	Mr K Townsley Mr D Bamber Ms K Graham Mr R G Ingle
<b>Chief Executive Officer</b>	Ms M Ingram
<b>Registered office</b>	Metro House Limited Unit 14-17 Metropolitan Business Park Preston New Road Blackpool FY3 9LT
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
<b>Solicitor</b>	Fielden Marshall Glover Strutt 1 Middle Street Lancaster LA1 1JZ
<b>Investment managers</b>	Barclays Bank plc 4 <sup>th</sup> Floor Bridgewater House Counterslip Finzels Reach Bristol BS1 6BX  Castlefield Investment Partners LLP 111 Piccadilly Manchester M1 2HY

# The Kentown Wizard Foundation

## Report of the Trustees

### For the year ended 31 March 2021

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

### Objectives, activities and achievements

The Kentown Wizard Foundation was established for general charitable purposes and focuses on benefitting children and young adults with serious, life-limiting conditions and disabilities.

Our mission is to have a positive impact on the lives of such children and we achieve this mission by making grants to UK registered charities whose aims and values are closely aligned with ours. Our overriding objective is to give grants where they are most needed and where they will have the greatest impact.

Our Founder is Ken Townsley, a highly successful businessman and philanthropist. Ken's story is remarkable; it is the story of a man from humble beginnings whose life-long love of travel took him, over a forty-year period, from an apprentice at Blackpool Airport to the owner of Gold Medal Travel Group plc. Ken's inspirational story can be read in more detail on our website at [www.kentownwizard.org](http://www.kentownwizard.org)

### Achievements in the year

This year we have continued to build on existing relationships with our charity partners to deliver projects in line with our objectives. In the year to 31 March 2021 we made 11 grants to 11 organisations amounting to £1.95m.

The year under review has been a year like no other. COVID 19 changed the world, possibly forever, and impacted on all our lives but nowhere was the impact felt more severely than among the children we seek to help.

Our foundation exists solely to help to improve the lives of children and young adults with serious, life-limiting conditions and disabilities. Even before the pandemic, these children often feel isolated and vulnerable because of their conditions but during 2020 it is hard to imagine the level of isolation and vulnerability experienced by these children and their families.

Our response to the pandemic was to offer support to our charity partners to help them to continue their work despite the inevitable fall in income experienced across the whole sector as fundraising events were cancelled.

We have been impressed by the way our charity partners rose to the challenge, adapted to the new normal and found innovative ways of continuing to offer much needed support and joy.

One such charity is **Over The Wall**, one of our long term partners, who prior to the pandemic offered residential camps to children living with the challenges of serious illness or disability. As the pandemic struck, all camps were cancelled and instead the charity developed an online presence to reach out to families. We were so impressed by their work that we awarded a grant of £800,000 to enable the charity to further develop a virtual outreach programme which will exist alongside physical camps and which will provide ongoing support to children and their families.

Immediately prior to March 2020 we had agreed to fund 100% of the Disneyland Paris wishes granted by **Make A Wish UK** to seriously ill children living in the UK. This ambitious four-year plan was derailed by COVID but in order to support the charity and to ensure that wishes could still be granted, we allowed Make A Wish to repurpose our first-year grant of £800,000. This repurposed grant enabled the charity to fulfil 360 non-Disney wishes to bring happiness to children despite the pandemic.



# The Kentown Wizard Foundation

## Report of the Trustees

For the year ended 31 March 2021

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Towards the end of the year, Make A Wish came to us with a proposal to fund a unique project. With no prospect of being able to send children to Disneyland Paris in the near future, the proposal was to transform a hotel in Hampshire into an Enchanted Manor to provide a magical Disney experience for 150 families whose Disneyland Paris wishes were on hold. This event took place in September 2021 and was a huge success. We were proud to provide a grant of £446,000 to make it possible.

**Dreams Come True** have impressed us during 2020. Their Hidden Communities project (funded by our foundation) was brought to a halt by the pandemic but through determination and innovation they nevertheless succeeded in using our funds to grant 72 dreams. The Hidden Communities project aims to deliver dreams to children and young people with serious life-limiting conditions living in some of the most deprived and hard-to-reach communities in the UK. We were so impressed by their performance that we made an additional grant of £200,000 to accelerate their progress out of the pandemic.

Our foundation does not accept unsolicited applications for grants and we spend a great deal of time seeking out new potential partners. Before making grants to new charities we want to be confident that their values are aligned with ours and that they will use our funds wisely. This year we made our first grant of £250,000 to **Whizz Kidz**, a charity which provides specialist mobility equipment to disabled children. Our grant will provide such equipment to an estimated 40 children living north of Birmingham.

Other grants we made during the year all centred on support during the pandemic:

- £100,000 to **Rainbow Trust** to assist with the provision of frontline services
- £16,000 to **Candlelighters** to fund the salaries of frontline staff
- £15,000 to **Stick n Step** to assist with resuming services in September 2020
- £6,000 to **Blackpool Tiggers** towards increased costs during the pandemic
- £5,000 to **Play Inclusion Project** towards increased costs
- £5,000 to **Unique Kidz and Co** towards the increased costs of frontline service delivery
- £4,091 to **Brian House** to sponsor a virtual event

In addition to the new grants awarded in the year we continued to work closely with all the charities with whom we have multi year funding arrangements. Our ambitious plans in Malawi, undertaken in partnership with **Operation Smile** and **Feet First Worldwide**, were temporarily halted by the pandemic but both these charities have continued to use our funds wisely to keep children healthy and well-nourished while they wait for surgical procedures to resume and also to build for the future through education and training programmes.

Prior to the onset of COVID-19, our three-year grant to **Children's Adventure Farm** was enabling the charity to increase capacity and provide essential respite to more children with serious illnesses and disabilities. This progress was hindered by COVID-19, however the charity continued to make progress with delivering services and we were impressed with how charity operations were adapted in light of COVID-19 restrictions.

We are fortunate to have significant reserves. At the year-end our investment portfolio stood at £83m. The Trustees mitigate financial risk by engaging professional fund managers to manage our investments on a discretionary basis and at the date of this report we remain in a strong position.

The Trustees confirm that they have complied with the requirement in section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the charity.

### Plans for future periods

The Trustees intend to continue to actively seek out charities with whom they wish to collaborate and where possible to form long term relationships with those charities.

# **The Kentown Wizard Foundation**

## **Report of the Trustees**

**For the year ended 31 March 2021**

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### **Financial review**

During the period under review the charity received income totalling £904,165 (2020: £1,142,766). This income comprised dividends and interest in respect of the investment portfolio.

Expenditure on charitable activities amounted to £2,021,614 (2020: £1,301,803) in addition to expenditure on raising funds of £337,654 (2020: £289,934).

The investment portfolio performed well during the year. Net gains on investments amounted to £18,576,765. This represents a gain of 28% on the value of investments held at the beginning of the year. We recognise that this last year has been a good one for global stock market returns.

### **Reserves Policy**

Our investment policy aims to maintain, over the long term, the real value of the £55.8m endowed by our Founder in 2015. As a minimum, the Trustees aim to make grants which equal our income for each year. However, the overriding aim of our foundation is to give grants where they are most needed and if we identify an area of great need where we can make a real difference, we will erode our reserves in order to provide support.

At the year end the charity was holding free reserves of £81m.

The Trustees acknowledge that year-end reserves were high compared to our policy. However, this is in large part due to the investment portfolio gains of £18,576,765 in this last year and the Trustees consider that such gains may prove to be temporary. Also, we have some ambitious projects which will erode reserves.

### **Investment Policy**

The Trustees have appointed Barclays Bank plc and Castlefield Investment Partners LLP to manage the investment portfolio on a discretionary basis. The investment objective is to maintain the real value of the investments over the long term.

### **Fundraising standards information**

The foundation does not engage in fundraising activities.

### **Trustees of the charity**

The Trustees who have served during the year and since the year end are as listed on page 3.

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

The Kentown Wizard Foundation was established as a Charitable Incorporated Organisation on 23 September 2015 and is governed by its Constitution. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The charity's Constitution provides for a minimum of 3 Trustees. There is no upper limit. Trustees are appointed by resolution and are not required to retire by rotation. In selecting individuals, the Trustees give due regard to the skills, knowledge and experience needed for the effective administration of the charity. New Trustees are provided with background information including the history of the charity, its objectives and activities, a copy of the Constitution, and financial reports. They are also briefed on their obligations under charity law. The Trustees give their time freely and no Trustee receives any remuneration or other benefit.

The Trustees are responsible for the overall management and strategic direction of the charity and meet on a quarterly basis. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. Key management personnel are paid on merit, having due regard to their professional skills, competencies and experience.

The Trustees confirm that appropriate controls are in place to mitigate and manage the major risks faced by the charity.



# The Kentown Wizard Foundation

## Report of the Trustees

For the year ended 31 March 2021

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### Trustees' responsibilities

The Trustees 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).

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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 Charities (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.

This report was approved by the Trustees on .....24 NOVEMBER 2021



Mr R G Ingle, Trustee

# Report of the Independent Auditors to the Trustees of

## The Kentown Wizard Foundation

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### Opinion

We have audited the financial statements of The Kentown Wizard Foundation (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2021, and of its incoming resources and application of resources, for the year 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 statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 charity's ability to continue as a going concern for a period of at least twelve 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# Report of the Independent Auditors to the Members of

## The Kentown Wizard Foundation

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### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's 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:

- the information given in the financial statements is inconsistent in any material aspect with the trustees' report, or
- the charity has not kept adequate accounting records; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and
- Reviewing board minutes and resolutions

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

## Report of the Independent Auditors to the Members of

### The Kentown Wizard Foundation

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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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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 and for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley.

**MHA Moore and Smalley**  
**Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

23 DECEMBER 2021

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# The Kentown Wizard Foundation

## Statement of Financial Activities

For the year ended 31 March 2021

	Note	Unrestricted Income funds £	Capital funds £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>					
Investments	2	904,165	-	904,165	1,142,766
<b>Total income and endowments</b>		904,165	-	904,165	1,142,766
<b>Expenditure on:</b>					
Raising funds	3	-	337,654	337,654	289,934
Charitable activities	4	2,025,868	(4,254)	2,021,614	1,301,803
<b>Total expenditure</b>		2,025,868	333,400	2,359,268	1,591,737
<b>Net outgoing resources before gains and transfers</b>					
		(1,121,703)	(333,400)	(1,455,103)	(448,971)
Net gains/(losses) on investments	12	-	18,576,765	18,576,765	(101,902)
<b>Net income/(expenditure)</b>		(1,121,703)	18,243,365	17,121,662	(550,873)
<b>Transfers between funds</b>		947,544	(947,544)	-	-
<b>Other recognised gains/(losses):</b>					
Foreign exchange gains		-	45	45	2,997
<b>Net movement in funds</b>		(174,159)	17,295,866	17,121,707	(547,876)
<b>Reconciliation of funds</b>					
Total funds brought forward		174,159	63,759,164	63,933,323	64,481,199
<b>Total funds carried forward</b>	16	-	81,055,030	81,055,030	63,933,323

All income and expenditure derive from continuing activities.

The notes on pages 15 to 28 form part of these financial statements.



# The Kentown Wizard Foundation

## Balance Sheet

As at 31 March 2021

	Note	Unrestricted Income funds £	Capital funds £	Total funds 2021 £	Total funds 2020 £
<b>Fixed assets</b>					
Tangible assets	11	592	-	592	-
Investments	12	1,883,691	81,142,068	83,025,759	65,019,682
		1,884,283	81,142,068	83,026,351	65,019,682
<b>Current assets</b>					
Debtors	13	91,465	-	91,465	77,527
Cash at bank and in hand		2,369,048	-	2,369,048	2,468,380
		2,460,513	-	2,460,513	2,545,907
<b>Creditors: amounts falling due within one year</b>	14	(1,964,617)	(87,038)	(2,051,655)	(1,576,151)
<b>Net current assets/(liabilities)</b>		495,896	(87,038)	408,858	969,756
<b>Total assets less current liabilities</b>		2,380,179	81,055,030	83,435,209	65,989,438
<b>Creditors: amounts falling due after more than one year</b>	15	(2,380,179)	-	(2,380,179)	(2,056,115)
<b>Net assets</b>		-	81,055,030	81,055,030	63,933,323
<b>Charity funds</b>					
Unrestricted capital funds	16	-	81,055,030	81,055,030	63,759,164
Unrestricted income funds	16	-	-	-	174,159
<b>Total charity funds</b>		-	81,055,030	81,055,030	63,933,323

An analysis of net assets as at 31 March 2020 is provided in note 17 to the accounts.

The financial statements were approved and authorised for issue by the Board on 24 NOVEMBER 2021

Signed on behalf of the board of Trustees



Mr R G Ingle, Trustee

The notes on pages 15 to 28 form part of these financial statements.

# The Kentown Wizard Foundation

## Cash Flow Statement

For the year ended 31 March 2021

	Note	2021		2020	
		£	£	£	£
<b>Cash flow from operating activities</b>					
<b>Net cash used in operating activities</b>	A	(1,577,847)		(2,482,932)	
<b>Cash flows from investing activities:</b>					
Payments to acquire tangible fixed assets		(592)		-	
Net receipts from sale of tangible fixed assets		4,254		1,666,804	
Payments to acquire investments		(8,558,412)		(12,860,990)	
Receipts from sales of investments		10,127,503		13,498,486	
Interest received		468,952		431,933	
Dividends received		435,213		585,833	
Rents received from investment properties		-		125,000	
<b>Net cash provided by investing activities</b>		2,476,918		3,447,066	
<b>Net increase in cash and cash equivalents</b>		899,071		964,134	
<b>Cash and cash equivalents at 1 April 2020</b>		3,475,238		2,511,104	
<b>Cash and cash equivalents at 31 March 2021</b>	B	4,374,309		3,475,238	

The notes on pages 15 to 28 form part of these financial statements.

**The Kentown Wizard Foundation**  
**Notes to the Consolidated Cash Flow Statement**  
**For the year ended 31 March 2021**

**A Reconciliation of net income to net cash flow from operating activities**

	2021	2020
	£	£
Net income/(expenditure) for the period	17,121,707	(547,876)
Dividends received	(435,213)	(585,833)
Rents received from investment properties	-	(125,000)
Interest receivable	(468,952)	(431,933)
Depreciation and impairment of tangible fixed assets	-	39
(Gains)/losses on disposal of tangible fixed assets	(4,254)	333,196
(Gains)/losses on investments	(18,576,765)	101,902
(Increase)/decrease in debtors	(13,938)	8,683
Increase/(decrease) in creditors	799,568	(1,236,110)
<b>Net cash used in operating activities</b>	<b>(1,577,847)</b>	<b>(2,482,932)</b>

**B Analysis of cash and cash equivalents**

	2021	2020
	£	£
Cash at bank and in hand	2,369,048	2,468,380
Cash deposits held within the investment portfolio	2,005,261	1,006,858
<b>Net cash used in operating activities</b>	<b>4,374,309</b>	<b>3,475,238</b>



# **The Kentown Wizard Foundation**

## **Notes to the Financial Statements**

**For the year ended 31 March 2021**

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### **I Summary of significant accounting policies**

#### **General information and basis of preparation**

The Kentown Wizard Foundation is a Charitable Incorporated Organisation in England. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' report on page 4.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

#### **Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

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### I Summary of significant accounting policies (continued)

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management costs incurred; and
- Expenditure on charitable activities includes grants awarded and associated costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

#### Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

#### Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and fittings	33.33% straight line
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#### Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

#### Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

#### Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.



# **The Kentown Wizard Foundation**

## **Notes to the Financial Statements**

**For the year ended 31 March 2021**

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### **I Summary of significant accounting policies (continued)**

#### **Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

#### **Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

#### **Pension Costs**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the SoFA.

#### **Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Judgements and key sources of estimation uncertainty**

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2 Income from investments

	Unrestricted		Total funds
	Income funds	Capital funds	2021
	£	£	£
Dividends	435,213	-	435,213
Interest receivable	468,952	-	468,952
	<b>904,165</b>	<b>-</b>	<b>904,165</b>

	Unrestricted		2020
	Income funds	Capital funds	
	£	£	£
Dividends	585,833	-	585,833
Interest receivable	431,933	-	431,933
Rental income	125,000	-	125,000
	<b>1,142,766</b>	<b>-</b>	<b>1,142,766</b>

### 3 Investment management costs

	Unrestricted		Total funds
	Income funds	Capital funds	2021
	£	£	£
Investment manager fees	-	337,654	337,654
	<b>-</b>	<b>337,654</b>	<b>337,654</b>

	Unrestricted		2020
	Income funds	Capital funds	
	£	£	£
Investment manager fees	-	289,934	289,934
	<b>-</b>	<b>289,934</b>	<b>289,934</b>

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 4 Analysis of expenditure on charitable activities

	Unrestricted		Total funds
	Income funds	Capital funds	2021
	£	£	£
Grants awarded (note 6)	1,951,091	-	1,951,091
Support costs (note 5)	71,309	(4,254)	67,055
Governance costs (note 5)	3,468	-	3,468
	<b>2,025,868</b>	<b>(4,254)</b>	<b>2,021,614</b>

  

	Unrestricted		2020
	Income funds	Capital funds	
	£	£	£
Grants awarded (note 6)	852,150	-	852,150
Support costs (note 5)	108,717	333,196	441,913
Governance costs (note 5)	7,740	-	7,740
	<b>968,607</b>	<b>333,196</b>	<b>1,301,803</b>

### 5 Allocation of governance and support costs

	Basis of allocation	Support costs	Governance costs	Total costs
		£	£	2021
				£
Rent	Support	6,022	-	6,022
Telephone	Support	351	-	351
Printing, stationery & postage	Support	184	-	184
Legal and professional	Support	78	-	78
Wages and salaries	Support	48,264	-	48,264
Insurance	Support	1,398	-	1,398
Travel expenses	Support	55	-	55
Computer expenses	Support	695	-	695
PR and social media	Support	14,118	-	14,118
Audit	Governance	-	3,468	3,468
Losses on sale of investment property	Support	(4,254)	-	(4,254)
Sundry expenses	Support	144	-	144
		<b>67,055</b>	<b>3,468</b>	<b>70,523</b>

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 5 Allocation of governance and support costs (continued)

	<i>Basis of allocation</i>	<i>Support costs</i>	<i>Governance costs</i>	<i>Total costs 2020</i>
		£	£	£
Rent	Support	6,108	-	6,108
Telephone	Support	544	-	544
Printing, stationery & postage	Support	679	-	679
Legal and professional	Support	26,395	-	26,395
Wages and salaries	Support	54,118	-	54,118
Insurance	Support	1,368	-	1,368
Travel expenses	Support	5,047	-	5,047
Computer expenses	Support	848	-	848
PR and social media	Support	13,571	-	13,571
Audit	Governance	-	7,740	7,740
Losses on sale of investment property	Support	333,196	-	333,196
Depreciation	Support	39	-	39
		<b>441,913</b>	<b>7,740</b>	<b>449,653</b>

### 6 Analysis of grants

	<b>2021</b>	<b>2020</b>
	£	£
Balance payable brought forward	3,529,686	4,788,569
New grants awarded in the year	<u>1,951,091</u>	<u>852,150</u>
Net grant cost in the year	<u>1,951,091</u>	<u>852,150</u>
	5,480,777	5,640,719
Grants paid in the year	<u>(1,131,192)</u>	<u>(2,111,033)</u>
<b>Balance payable carried forward</b>	<b><u>4,349,585</u></b>	<b><u>3,529,686</u></b>

During the year grants were made to 11 (2020: 3) charitable organisations as detailed on page 21.



# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 6 Analysis of grants (continued)

	2021 £
Blackpool Tiggers	6,000
Brian House Children's Hospice	4,091
Candlelighters	16,000
Dreams Come True	200,000
Make-A-Wish Foundation UK	550,000
Over the Wall	800,000
Play Inclusion Project	5,000
Rainbow Trust Children's Charity	100,000
Stick 'n' Step	15,000
Whizz-Kidz	250,000
Unique Kidz and Co	5,000
	<u>1,951,091</u>
	2020 £
Make A Wish	800,000
Brian House	29,517
Kids Cancer Charity	22,633
	<u>852,150</u>

### 7 Net income for the period

Net income for the period is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	-	39
(Profit) / loss on sale of tangible fixed assets	(4,254)	333,196
(Profit) / loss on fair value movement of investments	(18,576,765)	101,902
Net gains on foreign exchange	(45)	(2,997)

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 8 Auditor's remuneration

The auditor's remuneration constituted an audit fee of £4,200 (2020: £4,560) for the year to 31 March 2021 (inclusive of VAT), a fee in respect of the statutory accounts prep of £nil (2020: £1,920) for the year to 31 March 2021 (inclusive of VAT) and fees in respect of taxation services provided of £288 (2020: £nil) for the year to 31 March 2021 (inclusive of VAT).

### 9 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

The total amount of employee benefits received by key management personnel is £52,410 (2020: £45,485). The charity considers its key management personnel comprise the Chief Executive Officer.

The Trustees did not have any expenses reimbursed during the period.

### 10 Staff costs and employee benefits

The average monthly number of employees during the period was as follows:

	2021 Number	2020 Number
Average monthly number of employees	2	2

The total staff costs and employee benefits were as follows:

	2021 £	2020 £
Wages and salaries	54,637	48,343
Social security	(7,859)	4,324
Pension contributions	1,486	1,451
	48,264	54,118

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### II Tangible fixed assets

	Fixtures & fittings £	Total £
<b>Cost:</b>		
<i>Brought forward at 1 April 2020</i>	<i>1,597</i>	<i>1,597</i>
Additions	592	592
Disposals	-	-
<b>Carried forward at 31 March 2021</b>	<b>2,189</b>	<b>2,189</b>
<b>Depreciation:</b>		
<i>Brought forward at 1 April 2020</i>	<i>1,597</i>	<i>1,597</i>
Charge for the year	-	-
<b>Carried forward at 31 March 2021</b>	<b>1,597</b>	<b>1,597</b>
<b>Net book value:</b>		
<b>At 31 March 2021</b>	<b>592</b>	<b>592</b>
<i>At 31 March 2020</i>	<i>-</i>	<i>-</i>



# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 12 Fixed asset investments

	Barclays 2021 £	Castlefield 2021 £	Total 2021 £	Total 2020 £
Brought forward at 1 April 2020	60,959,019	3,053,805	64,012,824	64,752,222
Additions to investments at cost	6,786,931	1,771,481	8,558,412	12,860,990
Disposals at carrying value	(8,544,619)	(1,582,884)	(10,127,503)	(13,498,486)
Net gain/(loss) on revaluation	17,637,813	938,952	18,576,765	(101,902)
<b>Market value as at 31 March 2021</b>	<b>76,839,144</b>	<b>4,181,354</b>	<b>81,020,498</b>	<b>64,012,824</b>
<b>Historical cost as at 31 March 2021</b>	<b>52,946,436</b>	<b>3,629,790</b>	<b>56,576,226</b>	<b>56,085,427</b>
Investments at market value comprised:				
UK listed investments	27,370,316	3,762,733	31,133,049	24,987,746
Non-UK listed investments	49,468,828	418,621	49,887,449	39,025,078
	76,839,144	4,181,354	81,020,498	64,012,824
Capital cash deposits	1,920,579	84,682	2,005,261	1,006,858
<b>Market value as at 31 March 2021</b>	<b>78,759,723</b>	<b>4,266,036</b>	<b>83,025,759</b>	<b>65,019,682</b>
Investments at fair value comprise:				
Equities	57,416,591	3,618,454	61,035,045	44,771,912
Securities	19,422,553	562,900	19,985,453	19,240,912
Cash within investment portfolio	1,920,579	84,682	2,005,261	1,006,858
	78,759,723	4,266,036	83,025,759	65,019,682

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transactional value).

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 13 Debtors

	2021	2020
	£	£
Prepayments and accrued income	91,465	77,527
	<b>91,465</b>	<b>77,527</b>

### 14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals for grants payable	1,969,406	1,473,571
Accruals and deferred income	82,249	102,580
	<b>2,051,655</b>	<b>1,576,151</b>

### 15 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Accruals for grants payable	2,380,179	2,056,115
	<b>2,380,179</b>	<b>2,056,115</b>

# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 16 Fund reconciliation Year ended 31 March 2021

	Funds brought forward at 1 April 2020 £	Income £	Expenditure £	Gains / (losses) and transfers £	Funds carried forward at 31 March 2021 £
<b>Unrestricted income funds</b>					
General unrestricted	174,159	904,165	(2,025,868)	947,544	-
<b>Total unrestricted income funds</b>	<b>174,159</b>	<b>904,165</b>	<b>(2,025,868)</b>	<b>947,544</b>	<b>-</b>
<b>Unrestricted capital funds</b>					
Investments	63,759,164	-	(333,400)	17,629,266	81,055,030
<b>Total unrestricted capital funds</b>	<b>63,759,164</b>	<b>-</b>	<b>(333,400)</b>	<b>17,629,266</b>	<b>81,055,030</b>
<b>Total funds</b>	<b>63,933,323</b>	<b>904,165</b>	<b>(2,359,268)</b>	<b>18,576,810</b>	<b>81,055,030</b>

#### Unrestricted income funds

Unrestricted funds comprise income generated by the investments held, the only stipulation being that it is spent in line with the objects of the charity. The income generated by investments is primarily spent on grants awarded. However it also covers the general administration and running costs of the charity.

#### Unrestricted capital funds

Assets were gifted to the charity in the accounting period to 31 March 2017 by its Founder. These were an investment property with a value of £2,000,000, an investment portfolio with a value of £42,804,612 and cash at bank of £11,035,191. The Trustees are permitted to use the original capital to fund grants awarded. During the previous year the investment property was sold.



# The Kentown Wizard Foundation

## Notes to the Financial Statements

For the year ended 31 March 2021

### 16 Fund reconciliation (continued)

Year ended 31 March 2020

	Funds brought forward at 1 April 2019 £	Income £	Expenditure £	Gains / (losses) and transfers £	Funds carried forward at 31 March 2020 £
<b>Unrestricted income funds</b>					
General unrestricted	-	1,142,766	(968,607)	-	174,159
<b>Total unrestricted income funds</b>	-	1,142,766	(968,607)	-	174,159
<b>Unrestricted capital funds</b>					
Investments	64,481,199	-	(623,130)	(98,905)	63,759,164
<b>Total unrestricted capital funds</b>	64,481,199	-	(623,130)	(98,905)	63,759,164
<b>Total funds</b>	64,481,199	1,142,766	(1,591,737)	(98,905)	63,933,323

### 17 Analysis of net assets between funds

Year ended 31 March 2020

	Unrestricted Income funds £	Capital funds £	Total funds 2020 £
Fixed assets	1,192,501	63,827,181	65,019,682
Cash and current investments	2,468,380	-	2,468,380
Current assets	77,527	-	77,527
Current liabilities	(1,508,134)	(68,017)	(1,576,151)
Non current liabilities	(2,056,115)	-	(2,056,115)
	174,159	63,759,164	63,933,323

# **The Kentown Wizard Foundation**

## **Notes to the Financial Statements**

**For the year ended 31 March 2021**

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### **18 Related party transactions**

Deborah Bamber, the wife of David Bamber (a trustee), is an employee of the charity. During the period Deborah received remuneration (inclusive of employers NIC and pension contributions) totalling £8,857. David Bamber was not involved in trustee discussions regarding Deborah's contract of employment or salary and approval of the employment was also obtained from the Charity Commission.