

Registered Charity Number 314195

MACKENZIE BELL TRUST FUND

**Annual Report and Financial Statements
for the year ended 31 March 2021**

Mackenzie Bell Trust Fund

Trustees' Annual Report and Financial Statements for the year ended 31 March 2021

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REFERENCE AND ADMINISTRATIVE DETAILS

Name	Mackenzie Bell Trust Fund
Registered Charity number	314195
Address	Museum of London 150 London Wall London United Kingdom EC2Y 5HN
Trustees	There are currently four members on the Board of Trustees. The following are current Trustees and those who served during the year: Clive Bannister (Chair) Sharon Ament Judith Pleasance CC John Scott JP CC
Secretary	Sharon Ament
Treasurer	Kate Limna, Guildhall, London EC2P 2EJ
Banker	Chamberlain of London, Guildhall, London EC2P 2EJ
Legal Adviser	City of London Solicitors, Guildhall, London EC2P 2EJ
Independent Auditor	BDO LLP Chartered Accountants and Statutory Auditor 55 Baker Street London W1U 7EU
Investment Adviser	BlackRock Investment Management 12 Throgmorton Avenue London EC2N 2DL

Mackenzie Bell Trust Fund

Trustees' Annual Report and Financial Statements for the year ended 31 March 2021

TRUSTEES' ANNUAL REPORT

The Trustees present the Annual Report and audited Financial Statements for the Mackenzie Bell Trust Fund ("the Trust") for the year ended 31 March 2021. The reference and administrative details on page 2 form part of this report.

Structure, governance and management

The Trust fund was acquired from the London Museum in accordance with the provisions of Section 2 of the Museum of London Act 1965 and as such is a separate legal entity constituted as an unincorporated association. It is regarded as a subsidiary of the Museum of London due to the Museum's dominant influence over the Trust. The Trust is registered with the Charity Commission and its purpose is to support the Museum of London in its work. The objects of the Museum of London are to:

- a) Care for, preserve and add to the objects in their collections;
- b) Ensure that those objects are exhibited to the public and made available to persons seeking to inspect them in connection with study or research;
- c) Generally promote understanding and appreciation of historic and contemporary London and of its society and culture, both by means of their collections and by such other means as they consider appropriate; and
- d) Take any action as they think necessary or expedient to fulfil the aims and objectives of the museum as set out in legislation.

The Museum of London operates the principal financial accounting computer systems whilst the City of London Corporation provides banking, income collection and internal audit services. The Treasurer oversees the Trust.

Grant policy

The Museum of London's Trust Fund Management and Acquisitions Committee (the "Committee") is a standing committee of the Board of Governors of the Museum of London, responsible for the management of the Museum's Trust Funds. The Secretary and other officers of the Museum, particularly the Director of Content, undertake the day-to-day administration of the Trust.

The annual acquisitions plan is proposed to Trustees by the Director of Content. The Committee considers and approves the annual budget for grants at the start of each financial year, ensuring the grants are in accordance with the charity objects. An application for grants is then made by the Director of Content at the end of the financial year based on actual spend. This is again reviewed by the Committee to ensure the grants are in accordance with the charity objects and, if so, are approved for payment.

Risk management

The risks faced by the Trust fund are considered by the Trustees in the context of the wider risk management strategy of the Museum of London set out in the Museum's consolidated financial statements. The principal risk of the Trust fund is diminution of the value of the assets due to market forces. The Trustees have discretion over the commitment of funds for grant-making and, in general, do not allow commitments to be made in excess of income in any one financial year.

Trustees' recruitment, appointment and induction

By convention the Director and the Chair of the Museum of London Group are appointed as Trustees of the Trust fund. Other Trust fund members are recruited from amongst the Museum's

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Trustees and others with relevant interests. The Trust aims to achieve a Board with experience in investment management, Trust law, the art market and the acquisition needs of the Museum.

Trustees are appointed by the Board of Governors of the Museum of London. Whilst there is no set period of office, members will resign if their appointment was based on a connection to the Museum that ceases to exist.

The induction needs of Trustees who are also Trustees of the Museum are covered by the Museum. Other Trustees' inductions are covered by the Director. All Trustees are briefed on the objectives of the Trust fund and current issues by the Director of Content.

Objectives and activities

The Trust's governing document states that:

"The said assets and property and any income thereof shall be used as the Trustees of the London Museum shall from time to time think fit for the purpose of maintaining and adding to the collection in the said Museum".

The Trust supports the work of the Museum of London by paying grants for the acquisition of exhibits. The investment policy is to generate sufficient annual income to maintain the real value of the grant to the Museum whilst preserving the value of the assets.

Public benefit

The primary purpose of the Trust is to support the work of the Museum of London. The Museum of London delivers charitable benefits under two of the headings allowed by the Charities Act 2011; firstly and primarily through the advancement of the arts, culture, heritage or science and secondly through the advancement of education. As entrance to the Museum is unrestricted and is free, Trustees believe that there are no unreasonable restrictions on access to the benefits which are therefore available to the public in accordance with the definition of the Act.

The Trustees believe that the remaining requirements of disclosure placed on charities by the Act are met by the Trustees' Report contained herein.

Achievements and performance

The Trust has paid grants to support the work of the Museum of London over a number of years. In the financial year grants totalling £64,436 (2020: £53,184) were made to the Museum of London to fund acquisitions and support the work of the Museum.

Investment policy and performance

The Trust invests in a Charity Authorised Investment Fund managed by BlackRock, namely Blackrock Charities UK Equity Fund, which aims to provide medium to long-term capital and income appreciation by investing mainly in UK listed companies.

According to the reports of the Fund Managers, BlackRock, during the year to 31 March 2021 Blackrock Charities UK Equity Fund achieved a total positive return of 26.74%, just above the FTSE All Share Index positive return of 26.71% (2020: total negative return of 12.49% compared to 18.45%).

Social, environmental and ethical considerations are not taken into account when determining investment policies for the Trust's funds.

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Financial review and going concern

The Trust's income from continuing operations for the year was £56,980 (2020: £53,391). Direct charitable expenditure relating to this income was £64,436 (2020: £53,184).

The overall increase in funds during the year was £340,633 (2020: decrease £256,009). This comprised net outgoing resources of £9,456 (2020: outgoing resources £1,593) and an unrealised gain on investments of £350,089 (2019: unrealised loss £254,416). Details of the movement of funds are shown in Note 6 to the financial statements.

The Trustees consider that the financial statements have been prepared on a going concern basis and there are no material uncertainties relating to going concern.

Reserves policy

The Trustees aim to preserve the capital value of the fund wherever possible and as such restrict grants to the level of investment income received, taking one year with another. The use of the reserves is considered and allocated by the Trustees on an ongoing basis.

Plans for future periods

The Trust plans to continue to support the Museum of London by giving grants for specific expenditure to maintain and add to the Museum's collections.

Structure of the financial statements

The Trust fund financial statements consist of the following statements. Comparative figures for the previous year are included.

- Statement of financial activities showing all incoming resources available and all expenditure incurred and reconciling all changes in the Trust.
- Balance sheet setting out the assets and liabilities of the Trust fund.
- Notes to the financial statements explaining the accounting policies adopted and explanations of information contained in the statements.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice Accounting and Reporting by Charities: Charity SORP 2019 (FRS 102).

Disclosure of information to the Auditor

The Trustees confirm that as far as they are aware there is no relevant audit information that has not been brought to the attention of the charity's auditor, and that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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Trustees' Annual Report and Financial Statements for the year ended 31 March 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

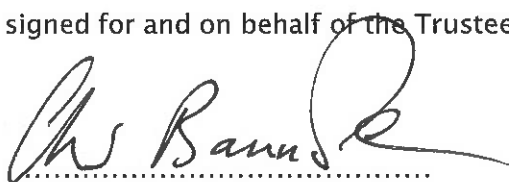
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 and the Charity (Accounts and Reports) Regulations 2008. 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.

Adoption of report and financial statements

Adopted and signed for and on behalf of the Trustees:

Trustee



Clive Bannister
Chair

Date: 13 October 2021

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MACKENZIE BELL TRUST FUND

Opinion

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 the Charity's 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

We have audited the financial statements of the Mackenzie Bell Trust Fund ("the Charity") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related 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.

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Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- adequate accounting records have not been kept by the Charity; or
- the Charity 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, 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 Trustee determines 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 Trustee 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 as auditor under the section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with HMRC and the Regulator of Charities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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 Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustee 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP, statutory auditor

London, UK

Date: 04 November 2021

BDO 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.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2021	2020
		Unrestricted Fund	Unrestricted Fund
		£	£
Incoming resources			
Investment income	2	56,980	53,391
Total incoming resources		56,980	53,391
Resources expended			
Charitable activities			
Grants payable	8	64,436	53,184
Governance costs	3	2,000	1,800
Total resources expended		66,436	54,984
Net outgoing resources before other recognised gains and losses		(9,456)	(1,593)
Gain / (loss) on investment assets	4	350,089	(254,416)
Net movement in funds		340,633	(256,009)
Fund balances brought forward at 1 April	6	1,665,671	1,921,680
Fund balances carried forward at 31 March	6	2,006,304	1,665,671

There are no other gains or losses other than those recognised above and therefore no separate statement of total gains and losses has been prepared. All activities derive from continuing operations.

The notes to the financial statements on pages 12 to 15 form part of these financial statements.

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BALANCE SHEET

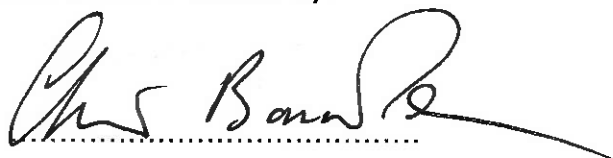
	Notes	2021	2020
		£	£
Fixed Assets			
Investments	4	1,777,703	1,427,614
Current Assets			
Cash at bank and in hand		215,773	227,367
Accrued income	5	12,828	10,690
Net Current Assets		228,601	238,057
Net Assets	7	2,006,304	1,665,671
The funds of the charity			
Unrestricted income funds	6	2,006,304	1,665,671
Total charity funds		2,006,204	1,665,671

The notes to the financial statements on pages 12 to 15 form part of these financial statements.

The financial statements were approved by the Trustees on 13 October 2021.

Signed on behalf of the Trustees by:

Trustee



Clive Bannister, Chair

Trustee



Sharon Ament, Trustee

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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied in dealing with items that are considered material in relation to the Trust fund's financial statements.

a) Basis of preparation of the financial statements

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: Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Mackenzie Bell Trust Fund is a public benefit entity under FRS 102.

As a qualifying entity under FRS 102, the Mackenzie Bell Trust Fund has taken advantage of exemptions for reporting or disclosing a cash flow statement. The functional currency is GBP Sterling.

b) Incoming resources

All income is accounted for on a receivable basis.

c) Resources expended

Expenditure is classified under the principal categories of charitable and other expenditure. Charitable and other expenditure comprise direct expenditure. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

d) Fund accounting

The Trust's financial statements comprise an unrestricted fund, which may be used for the general purposes of the Trust.

e) Investments

Investments are valued annually at the Bid price at the balance sheet date. The unrealised profit or loss on investments is taken to the Statement of Financial Activities and is included within unrestricted funds.

f) Cash Flow Statement

A Cash Flow Statement is not required because the Mackenzie Bell Trust Fund is a subsidiary undertaking of the Museum of London and its financial statements are consolidated into the financial statements of that body.

g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

There were no critical judgements or key sources of estimation uncertainty that could lead to material change in the preparation of the financial statements applicable for the 2021 financial year.

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2. Investment income

Investment income comprises interest of £3,104 (2020: £1,691) on surplus cash balances, which are invested by the Chamberlain of London at competitive interest rates, which averaged 0.75% (2020: 0.63%) and dividends of £53,876 (2020: £51,700). Dividend income is stated net of Investment Management Fees.

3. Governance costs

Auditor's remuneration for the year amounted to £2,000 (including irrecoverable VAT) (2020: £1,800 including irrecoverable VAT).

4. Fixed asset investments

	2021 £	2020 £
Listed investments		
Market Value at 1 April	1,427,614	1,682,030
Net gain / (loss) on revaluation	350,089	(254,416)
Market Value at 31 March	1,777,703	1,427,614
 Cost at 31 March	 (634,433)	 (634,433)
 Net gain on revaluation at 31 March	 1,143,270	 793,181

All investments are listed on a recognised stock exchange or are valued by reference to investments such as unit trusts and investment trusts. All investments are held in the U.K. The Trustees believe that the carrying value of the investments is supported by their underlying assets.

Holdings amounting to 100% are invested in the Blackrock Charities UK Equity Fund. Holdings were transferred from the Charishare Common Investment Fund Income in December 2019.

5. Debtors due within one year

	2021 £	2020 £
Prepayments and accrued income – dividends receivable	12,828	10,690

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6. Statement of funds

	Balance at 31 March 2020	Incoming Resources	Resources Expended	Unrealised Loss on Investment	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds					
General	872,490	56,980	(66,436)	–	863,034
Investment Revaluation	793,181	–	–	350,089	1,143,270
Total funds	1,665,671	56,980	(66,436)	350,089	2,006,304
Prior year Statement of funds	Balance at 31 March 2019	Incoming Resources	Resources Expended	Unrealised Gain on Investment	Balance at 31 March 2020
	£	£	£	£	£
Unrestricted funds					
General	874,083	53,391	(54,984)	–	872,490
Investment Revaluation	1,047,597	–	–	(254,416)	793,181
Total funds	1,921,680	53,391	(54,984)	(254,416)	1,665,671

7. Analysis of Net Assets between funds

Funds balances at 31 March 2021 are represented by	Trust Investments	Current Assets	Current Liabilities	Total Net Assets
	£	£	£	£
Unrestricted funds				
General	634,433	228,601	–	863,034
Investment Revaluation	1,143,270	–	–	1,143,270
Total funds	1,777,703	228,601	–	2,006,304

8. Grants

Grants of £64,436 (2020: £53,184) were made to the Museum of London to maintain and add to the collection. All grants were paid before the year end.

9. Related Parties

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 102 concerning related party transactions. The Museum of London, registered charity number 1139250, is the ultimate parent undertaking of the Trust.

The Trust made grants of £64,436 during the year (2020: £53,184) to the Museum of London. The consolidated financial statements of the Museum of London, which incorporate the Trust, are available from Museum of London, 150 London Wall, London, EC2Y 5HN or from the website www.museumoflondon.org.uk.

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None of the Trustees received remuneration, expenses or were involved in any transaction with the Trust during the year (2020: £nil).

10. Tax status

The activities of the Mackenzie Bell Trust Fund, which is a registered charity, are undertaken for charitable purposes. No liability to corporation tax has arisen for the year to 31 March 2021 (2020: £nil). The Trust is not registered for VAT and therefore cannot reclaim VAT suffered.