

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

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ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees

M Healy, Trustee
A Broome, Trustee
C Reid, Trustee

Company registered number

09351464

Charity registered number

1160259

Registered office

Studio B 21 Conduit Place, London, W2 1HS

Company secretary

M Healy

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the group and the company for the period 1 April 2022 to 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) FRS102, 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).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. The charity has a particular focus on supporting MND medical research, MND charities, MND and neurological care, as well as architecture, arts, tech and communication initiatives.

b. Activities for achieving objectives

In the medium term the Trustees continue to aim to accumulate capital sufficient to produce an annual income for distribution. The Trustees aim to strike a balance between their medium term objectives and supporting appropriate causes now. The Trustees are distributing the donations / investment income received to projects and other charities active in areas of interest each year.

Achievements and performance

a. Review of activities in the year and future plans

The Foundation is the principal beneficiary from the estate of the late Alan Davidson who sadly passed away in August 2018. The executors of Alan Davidson's estate have mostly completed the process of realising the assets and passing funds to the Foundation.

During the year the charity reported total income of £333,572 (2022: £218,601), consisting of donations from the charity's valued corporate and individual donors, investment income and an increase in the projected realisations from the Estate of Alan Davidson.

The charity now has a number of ongoing projects funded from income and capital:

This year we have continued seeing the progress of collaborative funding of a major MND research drug trial (TRICALS), which was agreed in 2020 but got delayed due to Covid-19. The project was slow to restart. Funding for this project was initially committed until end of 2024 but we agreed to extend the funding agreement at no additional costs to end of 2026 to make recruitment of new staff easier. The payment schedule was amended to a flexible schedule. Most of the remaining committed funds of £510,000 will be required over the next 2 years.

The MND drug trial with the University of Bristol and Innervate Therapeutics was successful and further funding may be required to pursue to the next stage.

ALAN DAVIDSON FOUNDATION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

The Making MND Preventable 3 year research project with the University of Oxford / Prof Kevin Talbot, looking at inheritable gene mutations, was slightly delayed due to the slow recruitment of the Project Manager post we are funding, but this project is now well underway. The Trustees met with the Project Manager and Kevin Talbot to go through the project in detail, a face to face visit will be arranged in late 2023.

The 3 year PhD with King's College is underway, the Trustees met the student and discussed the project, looking at TDP-43 gene mutation in MND patients.

The Trustees have continued to support the Motor Neurone Disease Association, MND Scotland as well as other research projects which may benefit those suffering from Motor Neurone Disease (MND) and related conditions.

The Foundation supports an annual fundraising race - HD5K - within the architectural industry, organised by Hayes Davidson for the benefit of the Motor Neurone Disease Association. The Trustees agreed to supplement the match funding that had been agreed for the event to ensure the target funding of £40K was maintained. A total of £48,000 was raised.

The Davidson Prize an annual architectural and communication prize for the design of a contemporary home, had its second year with a Co-Living theme. The prize was awarded in June 2022 in person at Yorkton Studio and was very well attended, subsequent press coverage included a front page feature in the FT Weekend supplement. The judging panel has been drawn from renowned figures from the architectural world including Paul Monaghan, Amy Frearson, Mary Duggan, Manijeh Verghese, Yinka Ilori and previous year's winner Agnieszka Glowacka.

The total prize fund was £25K and was divided between 3 finalist teams who received £5K each with the remaining £10K going to the overall winning team led by Charles Holland Architects and the Quality of Life Foundation.

The prize has continued to attract a lot of press from the UK and abroad and has generated interesting discussions in the architectural community and beyond.

In addition, the Foundation continues to support a visualisation award in Alan's name, the Alan Davidson Award, from Archiboo, a design and communication annual award, as well as the Big Draw competition.

A number of smaller grants were also made in support of various charities in accordance with the Foundation's objectives, these included ipads for MND Nurses at Lancashire Teaching Hospital, St John's Hospice, Euan's Guide, Scottish Huntington's Association and Quickfire Media MND film.

The legacy left under Alan's will has allowed the trustees to agree grants totalling £274,207 during the year ended 31 March 2023 to the following good causes:

| Organisation/charity | No of grants made | Amount granted/committed |
|-----------------------------------|-------------------|--------------------------|
| Motor Neurone Disease Association | 2 | £151,105 |
| Prize Sponsorship TDP | 1 | £95,509 |
| St John's Hospice | 1 | £10,000 |
| Motor Neurone Disease Scotland | 1 | £350 |
| Lancashire Hospital | 2 | £3,243 |
| Euan's Guide | 2 | £5,000 |
| Quickfire Media | 2 | £3,000 |
| Scottish Huntington's Association | 1 | £2,000 |
| Archiboo Award Sponsorship | 1 | <u>£4,000</u> |
| Total | 11 | £274,207 |

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Ongoing grant accruals include TRICALS drugs trial £510,000, Oxford University genetic trial £140,000, Kent University bursary £10,000, King's College PhD £50,000, MND Scotland £21,000, The Big Draw £4,000. Costs for the Davidson Prize included in accruals of £40,000 distributed after the year end.

Total expenditure for the year was £382,414 (2022: £823,232), meaning that the charity has reported a net losses for the year of £359,859 (2022: 279,446 net surplus) after losses on investments of £233,776 (2022: £884,077 of gains).

Since the year end, the charity has continued to support a range of charities, including MNDA and other medical charities, and those involved in the arts and architecture in accordance with its objects.

b. Investment policy and performance

The transfer of the portfolio to Waverton investment managers from the legacy/Estate of Alan Davidson completed in 2020/21 and continue the management of the portfolio.

The Trustees review the portfolio regularly throughout the year with the Investment Manager to ensure that the charity has a balanced portfolio as to hedge against the risk of fall in asset valuation.

The valuation of the portfolio fell at year ended 31 March 2023, due to instability in the global market.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

At the balance sheet date the charity had total funds of £12,987,994 (2022: £13,333,542). The majority of the funds relate to the legacy from Alan Davidson's estate. Over the medium term the Trustees aim to accumulate sufficient funds to generate an annual surplus for distribution in accordance with the charity's objectives.

Structure, governance and management

a. Constitution

The charitable company was incorporated on 11 December 2014 as a company limited by guarantee.

The company is constituted under its articles of association and is registered as a charity with the Charity Commission (registered charity number 1160259).

The principal object of the charitable company is the advancement for the public benefit of any purposes that are exclusively charitable under the laws of England and Wales.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

b. Method of appointment or election of Trustees

The memorandum and articles of the charity require there to be at least three trustees. Trustees are elected and co-opted by decision of the existing trustees.

c. Organisational structure and decision making

Decisions are made at meetings of the Trustees by way of a majority vote, or by unanimous agreement without a formal Trustees Meeting.

d. Related party relationships

Mr A Broome is a partner in Haysmacintyre LLP, a firm of chartered accountants. Haysmacintyre LLP provides services to the charity on an arms length basis as detailed in Note 17 to the accounts.

The charity has benefited from donations from trustees and other related parties as disclosed in Note 17 to the accounts.

e. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

ALAN DAVIDSON FOUNDATION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Trustees' responsibilities statement

The Trustees (who are also directors of Alan Davidson Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (FRS 102).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Disclosure of information to auditors

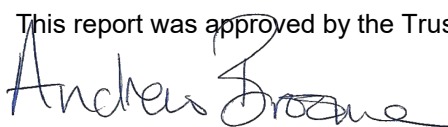
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

SBM Associates Limited, trading as SBM & Co was appointed as auditor and have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 4 January 2024 and signed on their behalf by:



.....
A Broome
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

Opinion

We have audited the financial statements of Alan Davidson Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies set out on pages 11 to 21. 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 charitable company's affairs as at 31 March 2021 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 charitable company'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 directors 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 Trustees' 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

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 the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page(s) 2 to 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

Auditors' 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.

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.

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, 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 Charities Act 2011, Companies Act 2006, and taxes.

We evaluated management's opportunities for fraudulent 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 certain accounting estimates and judgements such as the valuation of the investment property. Audit procedures performed by the engagement team included:

- inspecting correspondence with appropriate regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates, including review of the investment property valuation report and challenge of the underlying assumptions.

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 from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION



SBM Associates Limited, trading as SBM & Co

Statutory Auditors
24 Wandsworth Road
London
SW8 2JW
4 January 2024

SBM Associates Limited, trading as SBM & Co are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | 2 | 20,309 | 20,309 | 36,575 |
| Investments | 3 | 313,263 | 313,263 | 182,026 |
| Total income | | <u>333,572</u> | <u>333,572</u> | <u>218,601</u> |
| Expenditure on: | | | | |
| Charitable activities | 5 | 382,414 | 382,414 | 823,232 |
| Total expenditure | | <u>382,414</u> | <u>382,414</u> | <u>823,232</u> |
| Net income/(expenditure) before investment gains/(losses) | | | | |
| Net gains/(losses) on investments | 12 | (48,842) (296,706) | (48,842) (296,706) | (604,631) 884,077 |
| Net income / (expenditure) before other recognised gains and losses | | <u>(345,548)</u> | <u>(345,548)</u> | <u>279,446</u> |
| Net movement in funds | | (345,548) | (345,548) | 279,446 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 13,333,542 | 13,333,542 | 13,054,096 |
| Total funds carried forward | | <u>12,987,994</u> | <u>12,987,994</u> | <u>13,333,542</u> |

The notes on pages 14 to 21 form part of these financial statements.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09351464

BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------|--------------------|
| Fixed assets | | | |
| Investments | 12 | 12,334,591 | 12,532,692 |
| Current assets | | | |
| Debtors | 13 | 689,226 | 960,212 |
| Cash at bank and in hand | | 747,370 | 852,353 |
| | | <u>1,436,596</u> | <u>1,812,565</u> |
| Creditors: amounts falling due within one year | 14 | <u>(783,193)</u> | <u>(1,011,715)</u> |
| Net current assets | | 653,403 | 800,850 |
| Net assets | | <u>12,987,994</u> | <u>13,333,542</u> |
| Charity Funds | | | |
| Unrestricted funds | | <u>12,987,994</u> | <u>13,333,542</u> |
| Total funds | | <u>12,987,994</u> | <u>13,333,542</u> |

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 4 January 2024 and signed on their behalf, by:



A Broome (Trustee)

The notes on pages 14 to 21 form part of these financial statements.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-------------|-------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 16 | (319,641) | 258,175 |
| Cash flows from investing activities: | | | |
| Dividends and interest from investments | | 313,263 | 213,278 |
| Transfers of shares from legacy debtor | | (14,311) | (796,451) |
| Proceeds from sale of listed investments | | 2,800,796 | 2,162,473 |
| Purchase of listed investments | | (2,885,090) | (2,045,481) |
| Net cash provided by/(used in) investing activities | | 214,658 | (466,181) |
| Change in cash and cash equivalents in the year | | (104,983) | (208,006) |
| Cash and cash equivalents brought forward | | 852,353 | 1,060,359 |
| Cash and cash equivalents carried forward | 17 | 747,370 | 852,353 |

The notes on pages 14 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies

1.1 Basis of preparation of 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 with Charities SORP (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Alan Davidson Foundation 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.

The Company's functional and presentational currency is GBP.

1.2 Company status

The company is incorporated in England and Wales, limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The Trustees consider that there are no material uncertainties in respect of the Foundation's ability to continue as a going concern. The Trustees have reviewed the Foundation's financial position and reserve levels and, having considered committed grant expenditure and future plans are satisfied that the Foundation remains a going concern for the foreseeable future.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The Trustees recognised the legacy left under Alan Davidson's Will based at their best estimate of the Executors likely net realisations. The net difference between the amounts realised and the initial estimate has been recognised as an additional legacy receipt in the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account. Listed investments are held at market value.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments of expenditure it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

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

2. Income from donations and legacies

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations | 20,309 | 20,309 | 11,673 |
| Similar income | - | - | 24,902 |
| | <hr/> | <hr/> | <hr/> |
| Total donations and legacies | 20,309 | 20,309 | 36,575 |
| | <hr/> | <hr/> | <hr/> |
| Total 2022 | 36,575 | 36,575 | |
| | <hr/> | <hr/> | |

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Investment dividend income | 305,345 | 305,345 | 179,353 |
| Bank interest income | 7,918 | 7,918 | 2,673 |
| | <u>313,263</u> | <u>313,263</u> | <u>182,026</u> |
| Total 2022 | <u>182,026</u> | <u>182,026</u> | |

4. Analysis of grants

| | Grants to Institutions 2023 £ | Total 2023 £ | Total 2022 £ |
|---|--|--------------------|--------------------|
| Grants and donations to good causes (see pages 3 and 4 for breakdown) | <u>274,207</u> | <u>274,207</u> | <u>707,727</u> |
| Total 2022 | <u>707,727</u> | <u>707,727</u> | |

5. Analysis of expenditure on charitable activities

| | 2023 £ | Total 2023 £ | 2022 £ |
|----------------------|----------------|-----------------|----------------|
| Sponsorships | 99,509 | 99,509 | 117,515 |
| Charitable Donations | 174,698 | 174,698 | 590,212 |
| Support costs | 43,188 | 43,188 | 31,715 |
| Governance costs | 65,019 | 65,019 | 83,790 |
| Total | <u>382,414</u> | <u>382,414</u> | <u>823,232</u> |
| Total 2022 | <u>823,232</u> | <u>823,232</u> | |

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Support costs

| | Activities £ | Total 2023 £ | Total 2022 £ |
|---------------------------|-----------------|--------------------|--------------------|
| Legal and professional | 7,235 | 7,235 | 6,362 |
| Sundry costs | 2,035 | 2,035 | 2,328 |
| Consultant administration | 24,000 | 24,000 | 23,025 |
| Legacy write off | 9,918 | 9,918 | - |
| | <u>43,188</u> | <u>43,188</u> | <u>31,715</u> |
| Total 2022 | <u>31,715</u> | <u>31,715</u> | |

7. Governance costs

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------|------------------------------------|-----------------------------|-----------------------------|
| Accountancy fees | 6,655 | 6,655 | 4,878 |
| Auditors' remuneration | 7,776 | 7,776 | 7,600 |
| Legal & professional fees | 50,588 | 50,588 | 71,312 |
| | <u>65,019</u> | <u>65,019</u> | <u>83,790</u> |

8. Analysis of expenditure by activities

| | Grant funding of activities 2023 £ | Support costs 2023 £ | Total 2023 £ | Total 2022 £ |
|-------------------------------------|---|----------------------------|--------------------|--------------------|
| Grants and donations to good causes | <u>274,207</u> | <u>43,188</u> | <u>317,395</u> | <u>739,442</u> |
| Total 2022 | <u>707,727</u> | <u>31,715</u> | <u>739,442</u> | |

9. Net income/(expenditure)

During the year, no Trustees received any remuneration (2022 - £NIL).
During the year, no Trustees received any benefits in kind (2022 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2022 - £NIL).

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Auditors' remuneration

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 7,776 | 7,600 |

11. Staff costs

The company has no employees other than the Trustees, who did not receive any remuneration (2022 - £NIL).

12. Fixed asset investments

| | Listed securities £ | Investment property £ | Total £ |
|---------------------|------------------------|--------------------------|-------------|
| Market value | | | |
| At 1 April 2022 | 11,294,473 | 1,238,219 | 12,532,692 |
| Additions | 2,885,090 | 14,311 | 2,899,401 |
| Disposals | (2,800,796) | - | (2,800,796) |
| Revaluations | (296,706) | - | (296,706) |
| At 31 March 2023 | 11,082,061 | 1,252,530 | 12,334,591 |

The Investment Property represents the current value of an part interest in an investment property left to the Foundation and held through the late Alan Davidson's Self Invested Pension Scheme (SIPP).

13. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 455 | 19 |
| Legacy receivable | 632,156 | 910,824 |
| Prepayments and accrued income | 56,615 | 49,369 |
| | 689,226 | 960,212 |

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|-------------------------------------|----------------|------------------|
| Trade creditors | 2,041 | 172,066 |
| Accruals and accrued grants payable | 781,152 | 839,649 |
| | <u>783,193</u> | <u>1,011,715</u> |

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Fixed asset investments | 12,334,591 | 12,334,591 |
| Current assets | 1,436,596 | 1,436,596 |
| Creditors due within one year | (783,193) | (783,193) |
| | <u>12,987,994</u> | <u>12,987,994</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|-------------------------------|------------------------------------|-----------------------------|
| Fixed asset investments | 12,532,692 | 12,532,692 |
| Current assets | 1,812,566 | 1,812,566 |
| Creditors due within one year | (1,011,716) | (1,011,716) |
| | <u>13,333,542</u> | <u>13,333,542</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|------------------|----------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (345,548) | 279,446 |
| Adjustment for: | | |
| Revaluation on investments | 296,706 | - |
| Dividends and interest from investments | (313,263) | (213,278) |
| Decrease in debtors | 270,990 | 283,944 |
| Decrease in creditors | (228,526) | (91,937) |
| Net cash (used in)/provided by operating activities | (319,641) | 258,175 |

17. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|---------------------------------------|----------------|----------------|
| Cash at Bank & in hand | 556,664 | 587,655 |
| Cash held within investment portfolio | 190,706 | 264,698 |
| Total | 747,370 | 852,353 |

The charity does not hold any debt and therefore all cash movements have been disclosed in cash flow statements and corresponding notes.

18. Related party transactions

During the year the charity received donations from trustees of £nil, including related gift aid (2022: £nil).

Trustees are not remunerated for their services. Trust Deed allows trustees and their connected parties to be paid on an arms length basis services for professional services provided to the Foundation. A Broome, a trustee of the charity, is a partner in Haysmacintyre LLP, a firm of chartered accountants. Haysmacintyre LLP provides professional services to the charity on an arms length basis. During the year Haysmacintyre LLP invoiced the charity £4,993 (2022: £6,493) in respect of accountancy, corporation tax and company secretarial services. At the balance sheet date, £1,393 was owed to Haysmacintyre LLP (2022: £nil), included in trade creditors, with a further £4,500 accrued at year end in respect to services not yet invoiced (2021: £6,000).

A Broome, M Healy and C Reid are among others, Trustees of the late Alan Davidson's Self Invested Personal Pension (SIPP). As disclosed in Note 11, the Foundation's investment property interest is held via this SIPP.

A Broome & M Healy are directors of Hayes Davidson (London) Trustee Ltd, the Trustee of the Hayes Davidson (London) Employee Ownership Trust. The balance of debt due to Alan Davidson's Estate on the creation of the Employee Ownership Trust forms part of the Legacy Debtor.







Alan Davidson Foundation 2023 - FINAL Full accounts 31 March 2023 - revised

Final Audit Report

2024-01-11

| | |
|-----------------|--|
| Created: | 2024-01-11 |
| By: | Andrew Broome (abroome@haysmacintyre.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAvWEbvTE18Iy26bEKynu9kLhCNPtckahf |

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-  Signer stephen@sbmandco.com entered name at signing as Stephen McAlpine
2024-01-11 - 4:50:55 PM GMT- IP address: 188.172.156.46
-  Document e-signed by Stephen McAlpine (stephen@sbmandco.com)
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