

Registered Charity Number 314195

MACKENZIE BELL TRUST FUND

**Annual Report and Financial Statements
for the year ended 31 March 2018**

Mackenzie Bell Trust Fund

Trustees' Annual Report and Financial Statements for the year ended 31 March 2018

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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, EC2Y 5HN
Trustees	<p>There are currently four members on the Board of Trustees. The following are current Trustees and those who served during the year:</p> <p>Clive Bannister (Chairman) Sharon Ament Simon Fanshawe (ceased to be a Trustee 30 Sep. 2018) John Scott JP CC</p>
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	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor 30 Finsbury Square London EC2A 1AG
Investment Adviser	BlackRock Investment Management 12 Throgmorton Avenue London EC2N 2DL

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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 2018. 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 Museum of London's Trust Fund Management and Acquisitions Committee recommends the application of the Trust's 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 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.

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.

Trustees' recruitment, appointment and induction

By convention the Director and the Chairman 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 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.

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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 £8,320 (2017: £40,528) 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 Common Investment Fund managed by BlackRock, namely Charishare, 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 2018 Charishare achieved a total positive return of 2.27% compared to the FTSE All Share Index positive return of 1.25% (2017: total positive return of 23.41% compared to 21.95%).

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

Financial review and going concern

The Trust's income from continuing operations for the year was £49,824 (2017: £42,383). Direct charitable expenditure relating to this income was £8,320 (2017: £40,528).

The overall increase in reserves during the year was £35,454 (2017: £272,708). This comprised net incoming resources of £40,264 (2017: £655) and an unrealised loss on investments of £4,810 (2017: unrealised gain £272,053). 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. 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.

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.

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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 2015 (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.

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

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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

A handwritten signature in blue ink, appearing to read 'Clive Bannister', written over a dotted line.

Clive Bannister
Chairman

Date

A handwritten date '10th October 2018' in blue ink, written over a dotted line.

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

We have audited the financial statements of Mackenzie Bell Trust Fund (the 'charity') for the year ended 31 March 2018, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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.

Who we are reporting to

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 3 to 6 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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

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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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the 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 for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5 and 6, the trustees are responsible for the preparation of the financial statements which 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

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.

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 auditor's report.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date *18 October 2018*

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2018	2017
		Unrestricted Fund	Unrestricted Fund
		£	£
<hr/>			
Incoming resources			
Investment income	2	49,824	42,383
Total incoming resources		<hr/> 49,824	<hr/> 42,383
Resources expended			
Charitable activities			
Grants payable	8	8,320	40,528
Governance costs	3	1,240	1,200
Total resources expended		<hr/> 9,560	<hr/> 41,728
Net incoming resources before other recognised gains and losses		40,264	655
(Loss) / gain on investment assets	4	(4,810)	272,053
Net movement in funds		<hr/> 35,454	<hr/> 272,708
Fund balances brought forward at 1 April	6	1,795,306	1,522,598
Fund balances carried forward at 31 March	6	<hr/> 1,830,760	<hr/> 1,795,306

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 11 to 13 form part of these financial statements.

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BALANCE SHEET

	Notes	2018	2017
		£	£
Fixed Assets			
Investments	4	1,640,607	1,645,417
Current Assets			
Cash at bank and in hand		190,360	190,414
Creditors			
Amounts falling due within one year	5	(207)	(40,525)
Net Current Assets		190,153	149,889
Net Assets	7	1,830,760	1,795,306
The funds of the charity			
Unrestricted income funds	6	1,830,760	1,795,306
Total charity funds		1,830,760	1,795,306

The notes to the financial statements on pages 11 to 13 form part of these financial statements.

The financial statements were approved by the Trustees on 10 October 2018.


Signed on behalf of the Trustees by:

Trustee



Clive Bannister, Chairman

Trustee

 10/10/18

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 the following: cash flow statement, financial instruments and key management personnel. 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 mid-market 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) Key judgements and estimates

The fair value of the investments recognised in the financial statements is based on the market value of the investments held at the year end. The investments are listed, and therefore their valuation is based on publically available market information. As such, there is no estimation uncertainty in this area.

2. Investment income

Investment income comprises interest of £917 (2017: £1,013) on surplus cash balances, which are invested by the Chamberlain of London at competitive interest rates, which averaged 0.521% (2017: 0.604%) and dividends of £48,907 (2017: £41,370). Dividend income is stated net of Investment Management Fees.

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3. Governance costs

Auditor's remuneration for the year amounted to £1,240 (including irrecoverable VAT) (2017: £1,200 including irrecoverable VAT).

4. Fixed asset investments

	2018 £	2017 £
Listed investments		
Market Value at 1 April	1,645,417	1,373,364
Net (loss) / gain on revaluation	(4,810)	272,053
Market Value at 31 March	1,640,607	1,645,417
Cost at 31 March	(634,433)	(634,433)
Net gain on revaluation at 31 March	1,006,174	1,010,984

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 Charishare Common Investment Fund Income.

5. Creditors amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	207	40,525

6. Statement of funds

	Balance at 31 March 2017 £	Incoming Resources £	Resources Expended £	Unrealised Loss on Investment £	Balance at 31 March 2018 £
Unrestricted funds					
General	784,322	49,824	(9,560)	–	824,586
Investment Revaluation	1,010,984	–	–	(4,810)	1,006,174
Total funds	1,795,306	49,824	(9,560)	(4,810)	1,830,760

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7. Analysis of Net Assets between funds

Funds balances at 31 March 2018 are represented by	Trust Investments	Current Assets	Current Liabilities	Total Net Assets
	£	£	£	£
Unrestricted funds				
General	634,433	190,360	(207)	824,586
Investment Revaluation	1,006,174	–	–	1,006,174
Total funds	1,640,607	190,360	(207)	1,830,760

8. Grants

Grants of £8,320 (2017: £40,528) were made to the Museum of London to assist the Museum in its work. All grants were paid before the year end (2017: £40,525 were paid after 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 £8,320 during the year (2017: £40,528) 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.

None of the Trustees received remuneration, expenses or were involved in any transaction with the Trust during the year (2017: £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 2018 (2017: £nil). The Trust is not registered for VAT and therefore cannot reclaim VAT suffered.