

THE LAURENCE MODIANO CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2018

THE LAURENCE MODIANO CHARITABLE TRUST

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TRUSTEES' REPORT

FOR THE PERIOD ENDED 5 APRIL 2018

The trustees present their report and accounts for the period ended 5 April 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Reference and Administrative Information

Charity Number: 1172973

Principal Office

4th Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX

Trustees

Laurence Modiano
Jon Saul Nathan

Auditors

UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London E1W 1YW.

Bankers

Metro Bank, One Southampton Row, London WC1B 5HA

Investment advisors

LJ Partnership, 10 Old Burlington Street, London W1S 3AG

Objectives and Activities

The object of the trust is to apply the capital and/or the income of the trust fund for such charitable purposes as the trustees in their absolute discretion think fit. During this period grants have been made to other organisations that are themselves charitable in nature.

Public Benefit

The trustees have complied with section 17(5) of the 2011 Charities Act, having due regard for the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives, when setting the grants making policy and in making awards.

Grant Making Policy

Proposals for grants are generated internally. External applications for funding are not considered.

TRUSTEES' REPORT

FOR THE PERIOD ENDED 5 APRIL 2018

Achievement and Performance

During the period the charity received donations of £1,800,000 from G. Modiano Limited, a company controlled by the family of the Settlor and associated trusts, £1,867,500 from The Modiano Charitable Trust and £5,000 from Laurence Modiano. Grants of £82,000 were made during the period.

Plans for the Future

The charity will continue to support charitable activity particularly in, but not limited to, the area of the arts.

Financial Review

Incoming resources of the charity for the period amounted to £3,692,685.

The charity is reliant on the income generated by its investments and further donations.

Investment Policy and Performance

There are no restrictions on the trustees' power to invest. The trustees consider that investment performance is satisfactory.

Reserves Policy

The trustees' aim is to maintain free reserves in unrestricted funds at a level that will provide sufficient funds to respond to applications for grants and ensure that there are sufficient funds available to cover governance costs. The unrestricted fund balance amounted to £3,505,577 as at 5 April 2018. This may be used in accordance with the charity's objectives, at the discretion of the Trustees.

Structure, Governance and Management

The trust is an unincorporated body, constituted under a trust deed dated 20 February 2017 and is a registered charity, number 1172973. The trust was established by an initial gift of £5,000 from Laurence Modiano. The trust does not actively fundraise and maintains a careful stewardship of its existing resources.

The power of appointing new or additional trustees is exercisable by the existing trustees. The trustees meet at such intervals as they consider appropriate.

The charity has no full time or part time employees or volunteers to assist in the running of the charity, the daily administration being carried out by the trustees themselves.

Risk Management

The trustees have reviewed the major risks that impact on the work of the trust. The systems that have been established enable the trustees to review and take necessary steps to lessen these risks.

TRUSTEES' REPORT**FOR THE PERIOD ENDED 5 APRIL 2018**

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial reporting period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Approved by the Trustees on 9th January 2019 and signed on their behalf by:



.....
Laurence Modiano
Trustee

Date: 9/1/2019

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LAURENCE MODIANO CHARITABLE TRUST

Opinion

We have audited the financial statements of The Laurence Modiano Charitable Trust for the period ended 5 April 2018 set out on pages 7 to 14. 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 5 April 2018, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

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.

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE TRUSTEES OF THE LAURENCE MODIANO CHARITABLE TRUST

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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
- sufficient accounting records have not been kept; 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

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE TRUSTEES OF THE LAURENCE MODIANO CHARITABLE TRUST

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young LLP

UHY Hacker Young LLP
Chartered Accountants
Statutory Auditor

Date: 14/1/19

UHY Hacker Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 5 APRIL 2018**

	Note	2018 Unrestricted funds £
Income and endowments from:		
Donations and legacies	2	3,672,500
Investment income	3	20,185
Total income		<u>3,692,685</u>
Expenditure on:		
Charitable activities	4	(94,393)
Total expenditure		<u>(94,393)</u>
Net income before gains(losses) on investments		3,598,292
Net losses on investment assets	8	(92,715)
Net income for the period Net movement in funds		<u>3,505,577</u>
Reconciliation of funds:		
Total funds brought forward		-
Total funds carried forward		<u><u>£3,505,577</u></u>

All recognised gains and losses have been included in the Statement of Financial Activities and are derived from the continuing activities of the Charitable Trust.

BALANCE SHEET

AS AT 5 APRIL 2018

	Note	2018	
		£	£
Fixed assets			
Investments at market value	8		1,733,839
Current assets			
Cash at bank	9	1,828,038	
Current liabilities			
Creditors falling due within one year	10	<u>(56,300)</u>	
Net current assets			1,771,738
Net assets			<u><u>£3,505,577</u></u>
The funds of the charity			
Unrestricted funds			<u>3,505,577</u>
Total funds			<u><u>£3,505,577</u></u>

The financial statements on pages 7 to 14 were approved by the Trustees on 9th January 2019 and are signed on their behalf by:

L. Modiano

.....
Laurence Modiano
Trustee

STATEMENT OF CASH FLOWS

AS AT 5 APRIL 2018

	Note	2018	
		£	£
Cash flows from operating activities			
Cash generated from operations	13		3,654,592
Investing activities			
Purchase of investments		(3,110,561)	
Proceeds on disposal of investments		<u>1,284,007</u>	
Net cash used in investing activities			<u>(1,826,554)</u>
Net increase in cash and cash equivalents			1,828,038
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			<u><u>1,828,038</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 2018

1 Accounting policies**Charity information**

The Laurence Modiano Charitable Trust is a Charitable Trust established under a Trust Deed dated 20 February 2017.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

These accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Reporting period

The trust was established on 20 February 2017. Therefore these accounts are for the period 20 February 2017 to 5 April 2018.

1.4 Charitable funds

All funds are unrestricted. Both the capital and income of the charity can therefore be applied at the discretion of the trustees in furtherance of the charitable objectives of the trust.

1.5 Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt (so it is probable that the income will be received) and the amount of income receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 2018

1 Accounting policies (continued)**1.6 Expenditure recognition**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the trust.

1.7 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.8 Charitable activities

The expenditure on charitable activities includes grants and governance costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, including all management and administrative costs.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.11 Investments

Investments are stated at market value as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 2018

1 Accounting policies (continued)**1.12 Realised gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their acquisition cost if acquired during the current financial period. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2 Donations and legacies

During the period the charity received donations of £1,800,000 from G. Modiano Limited, £1,867,500 from The Modiano Charitable Trust and £5,000 from Laurence Modiano.

3 Investment income**2018**

£

Dividends

20,185

 £20,185

4 Expenditure on charitable activities**2018**

£

Grants awarded (see note 5)

82,000

Governance costs (see note 6)

12,393

 £94,393

5 Analysis of grants

The charity undertook no direct charitable activities but awarded grants to a number of institutions in furtherance of its charitable activities.

Grants awarded during the period:**2018**

£

Music and the arts

82,000

 £82,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 2018

6 Governance costs	2018
	£
Management and administration	
Accountancy fees	6,600
Audit fees	3,300
Investment management fees	2,279
Broker interest charges	214
	<u>£12,393</u>

7 Staff costs

No staff were employed during the period by the charity, the daily administration of the charity being carried out by the trustees.

8 Fixed asset investments	2018
	£
Additions to investments at cost	3,110,561
Disposal sale proceeds	(1,284,007)
Realised gain on disposal of investments	307
Unrealised loss on revaluation of investments	(93,022)
Market value at 5 April 2018	<u>£1,733,839</u>

9 Analysis of current assets	2018
	£
Cash at bank	
Metro Bank	
- Current account	24,400
L J Athene Investment Advisors	
- Current account	1,803,638
Total cash	<u>£1,828,038</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2018

10 Analysis of liabilities	2018
	£
Creditors falling due within one year	
Accountancy fees	3,000
Audit fees	3,300
Grant awarded for future payment	50,000
Total liabilities	<u>£56,300</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

12 Related party transactions

During the period the charity received a donation of £5,000 from the trustee Laurence Modiano. During the period the charity also received donations of £1,800,000 from G. Modiano Limited and £1,867,500 from The Modiano Charitable Trust and awarded grants of £70,000 to Philharmonia Trust Limited. The trustee Laurence Modiano is a director of G. Modiano Limited and a trustee of The Modiano Charitable Trust. Both Laurence Modiano and Jon Saul Nathan are trustees of Philharmonia Trust Limited.

13 Cash generated from operations

	2018
	£
Surplus for the year	3,505,577
Adjustments for:	
Fair value gains and losses on investments	92,715
Movements in working capital:	
Increase in creditors	56,300
Cash generated from operations	<u>3,654,592</u>