Registered Charity Number 280281

The Emmanuel Kaye Foundation

Report and Financial Statements

31 July 2018

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Trustees

Mr David W Kaye
Mr John H K Forster
Mrs Louise N Kaye
Ms Eleanor M Kaye
Mrs Madeleine A Hawes

Auditors

Wilkins Kennedy Audit Services, Mount Manor House, 16 The Mount, Guildford, Surrey, GU2 4HN

Solicitors

Jones Day, 21 Tudor Street, London, EC4Y 0DJ

Bankers

Barclays Bank Plc, UK Banking, 1 Churchill Place, London, E14 5HP

Fund Manager

Stanhope Capital LLP, 35 Portman Square, London, W1H 6LR

Custodial Bank for Investments

Royal Bank of Canada (Channel Islands) Limited, 19-21 Broad Street, St Helier, Jersey, Channel Islands

Registered Office

Oakleigh House, Hartley Wintney, Hampshire, RG27 8PE

Registered Charity Number

280281

The Trustees of The Emmanuel Kaye Foundation present their annual report and the audited accounts for the year ended 31 July 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities; Charities SORP FRS 102.

Structure, Governance and Management

The Emmanuel Kaye Foundation ("the Charity" or "the Foundation") was established by a Declaration of Trust on 1 May 1980.

The Trustees who held office during the year were Mr David W Kaye, Mr John H K Forster, Mrs Louise N Kaye, Ms Eleanor M Kaye and Mrs Madeleine A Hawes. Day to day management of the Charity has been delegated to Mr David W Kaye.

The Declaration of Trust states that there must be more than two but not more than five trustees. The power of appointing new or additional trustees is vested in Mr David W Kaye. The existing Trustees are responsible for the induction of new trustees.

The Trustees continue to monitor the major risks to which the Charity is exposed and systems are in place to manage those risks. Internal risks are minimised by the implementation of procedures for authorisation of transactions of the Charity. External risks to funding are periodically reviewed to ensure acceptable risks and returns are being achieved.

The Foundation is run independently from any other charity or organisation. Support services to allow the Foundation to achieve its aims are provided by a related party, Kaye Enterprises Limited.

Objectives and activities

The Foundation's aim is to benefit registered charities, charitable organisations and other charitable causes. It meets this objective by making grants and donations to charities and charitable causes at the Trustees' discretion and in accordance with the Foundation's established principles.

In achieving these objectives for the year, the strategy adopted by the Trustees was consistent with the principles on which the Foundation operates. Beneficiaries are selected from the social welfare, education, medical research and arts sectors.

The Foundation's main principles define that beneficiaries be a verifiable registered charity; priority is given to smaller charities without a national presence; and grants may cover core costs or specific project costs.

The strategy used in exercising these principles is based on Trustee sponsored propositions following detailed research which are submitted for consideration at regular quarterly Trustees' meetings.

Both the Foundation's objectives and its strategy were successfully conducted throughout the year.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

The work of the Foundation is sustained by voluntary contributions, by income from investments and by reserves.

During the year ended 31 July 2018, the Foundation received income from investments amounting to £33,290 (2017 - £32,365) and income from donations of £375,677 (2017 - £444,059). It made donations of £420,000 (2017 - £230,000). Gains on investments of £195,017 (2017 - £327,523) were recognised during the year. The Foundation reinvested its residual funds into income-generating investments and deposits, in order to successfully continue its objective of supporting charitable work in the future.

Funds at the end of the year were £4,180,250 (2017 - £4,025,300). There were no significant events impacting the financial performance during the year or the financial position at 31 July 2018.

Achievements and performance *(continued)*

An analysis of the Foundation's activities during the year to fulfil its charitable purpose, consistent with its principles, included support analysed as the following sectors:

Sector	%
Medical research	30
Penal reform	15
Educational support programmes	15
Musical appreciation amongst the young	5
Performing arts	10
Prevention of sexual exploitation	20
Other	5

Grant making policy

The Foundation does not accept unsolicited requests for grants or donations, focussing its support for registered charities principally, but not exclusively, where a relationship with Trustees has been established. All requests for grants or donations sponsored by a Trustee require approval at a formal Trustees' meeting and must be consistent with the Foundation's objectives. The Foundation strongly supports projects where a grant or donation can make a meaningful contribution to its aims.

Plans for future periods

The Board of Trustees has agreed to maintain the Foundation's existing principles and objectives for the foreseeable future to ensure that its grants and donations are continuing to have a meaningful positive impact upon the activities of the beneficiary and, wherever possible, making a contribution to the general good.

Investment policy

The Trustee's policy is to invest in forms of investment to provide both income and long term capital gain. To this end the Trustees have transferred day to day responsibility for investment decisions to Stanhope Capital LLP who will manage the Foundation's investment policy on the broad principles agreed by the Trustees.

Reserves policy

The Trustees consider it essential to retain sufficient capital to ensure the future well-being of the Foundation and avoid a wind up of the Foundation should the capital be distributed. Following a review of the Reserves Policy the Trustees have agreed to maintain a reserve of at least £3 million for the time being, allowing donations to be made out of income and a proportion of realised and unrealised capital gains where the Trustees consider this appropriate. The Reserves Policy will be reviewed annually by the Trustees giving consideration to any changes in circumstances.

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes.' Such amounts receivable are presented in our accounts as donations.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or external professional fundraisers, or third parties.

We have received no complaints in relation to fundraising activities. We require Trustees to behave reasonably at all times in their contact with donors. No-one should be pressured into donating, and we don't contact anyone if we know they don't want us to. We take our supporters' requests and the protection of their personal data seriously. All of our supporters can choose to opt-out of our communications at any time, and we never swap or sell their data.

Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those 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 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements 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.

Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purpose of their audit and to establish that the auditors are aware of the information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

Wilkins Kennedy Audit Services have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual Trustees meeting.

Signed for and on behalf of the Board of Trustees

J H K Forster
Secretary to the Trustees

30 April 2019

Independent auditor's report to the members of The Emmanuel Kaye Foundation

Opinion

We have audited the financial statements of The Emmanuel Kaye Foundation (the 'charity') for the year ended 31 July 2018 which comprise the Statement of Financial Activity, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 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 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

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 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 3, 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
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

Mr Robert Southey (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
Mount Manor House
16 The Mount
Guildford
Surrey
GU2 4HN

1st MAY 2019
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The Emmanuel Kaye Foundation

Statement of Financial Activities
for the year ended 31 July 2018

	Note	Unrestricted funds 2018 £	2017 £
Income and endowments from:			
Donations	3	375,677	444,059
Investments	4	33,290	32,365
Total Income		**408,967**	**476,424**
Expenditure on:			
Charitable activities:	5	449,034	259,700
Total expenditure		**449,034**	**259,700**
Net gains on investments	11	195,017	327,523
Net Income		**154,950**	**544,247**
Net movement in funds		**154,950**	**544,247**
Reconciliation of funds			
Total funds brought forward At 1 August 2017	11	4,025,300	3,481,053
Total funds carried forward At 31 July 2018	11	**4,180,250**	**4,025,300**

All funds are unrestricted and all income and expenditure is derived from continuing operations.

The notes on pages 9 to 14 form part of these financial statements

The Emmanuel Kaye Foundation

Balance sheet
at 31 July 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	8		3,503,845		3,202,226
Current assets					
Debtors	9	17,500		22,500	
Cash at bank and in hand		661,905		803,574	
			679,405		826,074
Creditors					
Amounts falling due within one year	10	(3,000)		(3,000)	
			(3,000)		(3,000)
Net current assets			676,405		823,074
Total assets less current liabilities			4,180,250		4,025,300
Charity funds					
Unrestricted funds					
- General fund	12		4,005,250		3,925,300
- Designated fund	12		175,000		100,000
Total funds of the charity			4,180,250		4,025,300

The financial statements were approved and authorised for issue by the Board of Trustees on 30 April 2019 and signed on its behalf by:

D W Kaye
Trustees

J H K Forster

The notes on pages 9 to 14 form part of these financial statements

1. Statutory information

The Emmanuel Kaye Foundation is a registered charity in England and Wales. The registered charity number is 280281 and the registered office address is Oakleigh House, Hartley Wintney, Hampshire, RG27 8PE.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities: Charities SORP FRS 102 and the Charities Act 2011 and applicable regulations. The Foundation constitutes a public benefit entity as defined by FRS 102.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The Trustees have decided to early adopt the FRS102 triennial review amendments which became effective from 1 January 2019.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments to market value.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

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

Income recognition

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

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

Investment income

Income arising from the investments and any related tax credit is accounted for in the period in which the income is receivable.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

2. Accounting policies (*continued*)

Resources expended

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

Each grant commitment is dependent on the satisfactory outcome of a review, which for most grants is carried out annually. Consequently, for multi-year grants where the next payment has been approved prior to the year end the grant is recognised as an expense and a liability in the financial statements. The balance of the potential grant commitments not provided for is disclosed as a contingent liability and identified as a designated fund. All expenditure in respect of achieving the aims of the Foundation, including donations and grants, is made at the Trustees discretion. Donations are accounted for when they are communicated to the recipient.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. The analysis of these costs is included in note 7.

Fund accounting

Funds held by the Foundation are unrestricted, general funds which can be used in accordance with the charitable objectives and reserves policy of the Foundation.

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 sales proceeds and opening market value. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value. Realised and unrealised gains are not separated in the statement of financial activities.

Donated services

Management services are received from Kaye Enterprises Limited on a donation basis. The services are received on an ad-hoc basis and therefore are not reasonably quantifiable and measurable. As such, no adjustment is made to the income and expenditure to take account of these services.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Other creditors

Other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

3. Income from donations

	2018 £	2017 £
Grants	375,677	444,059
	375,677	444,059

4. Investment income

	2018 £	2017 £
Investment income	32,322	32,325
Interest receivable	968	40
	33,290	32,365

5. Charitable activities

	2018 £	2017 £
Donations (Note 6)	420,000	230,000
Support costs (Note 7)	29,034	29,700
	449,034	259,700

6. Donations

	Grants to Institutions	
	2018 £	2017 £
Parkinsons UK	100,000	15,000
British Friends of Israel Guide Dog Centre for the Blind	35,000	35,000
Unseen UK	30,000	30,000
Pause	30,000	25,000
The Lucy Faithfull Foundation	30,000	20,000
Student Hubs	20,000	15,000
Rotary Club of Hart Trust Fund	20,000	5,000
Grief Encounter	10,000	10,000
Prison Reform Trust	10,000	10,000
Helford River Children's Sailing Trust	5,000	5,000
Lyric Hammersmith	30,000	-
Imperial College Trust	25,000	-
London Music Masters	20,000	-
Safe Ground	20,000	-
Team Up	15,000	-
Donmar Warehouse	10,000	-
Working Chance	10,000	-
The Winchfield Festival	-	15,000
The Wigmore Hall Trust	-	10,000
Music Action International	-	10,000
Hammersmith & Fulham foodbank	-	5,000
Parity	-	5,000
Envision	-	5,000
Move into Well Being	-	5,000
Special Effect	-	5,000
	420,000	230,000

7. Support costs

	2018 £	2017 £
Bank charges	38	114
Auditors' remuneration	2,858	3,000
Legal and professional charges	327	-
Investment management fees	25,811	26,586
	29,034	29,700

None of the Trustees received any remuneration during the year (2017 - £nil) nor were reimbursed any expenses in the year (2017 - £nil).

All of the management expenses except those listed above are borne by a related party, Kaye Enterprises Limited. No financial value has been put on the volunteer help received by the Charity during the year.

Auditors' remuneration includes fees payable to the charity's auditor for the audit of the charity's annual accounts. No non-audit services were provided.

8. Investments

	2018 £	2017 £
Listed Investments	3,503,845	3,202,226
	3,503,845	3,202,226

The Listed Investments valuation includes an unrealised gain of £195,017 (2017 - £327,523) at the year end.

	2018 £	2017 £
Opening carrying value	3,202,226	2,739,315
Additions at cost	820,558	925,186
Disposals at carrying value	(749,187)	(746,095)
Net gain on revaluation	230,248	283,820
Closing carrying value	3,503,845	3,202,226

Net gains on investment assets in the Statement of Financial Activities for the year includes:

	2018 £	2017 £
Gain on revaluation of investments	230,248	283,820
(Loss) / gain recognised on disposal of investments	(35,231)	43,703
	195,017	327,523

The fair value of listed investments is determined by quoted price for identical assets in an active market at the balance sheet date.

9. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Accrued income	17,500	22,500

10. Creditors

	2018 £	2017 £
Amounts falling due within one year:		
Accruals and deferred income	3,000	3,000

11. Reconciliation of movement in funds

	General unrestricted £	Designated £	Total funds £
Investments	3,503,845	-	3,503,845
Net current assets	501,405	175,000	676,405
Net assets at the end of the year	4,005,250	175,000	4,180,250

12. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources and losses £	Transfers £	At the end of the year £
Designated funds					
Unseen	60,000	-	-	(30,000)	30,000
British Friends of Israel Guide Dog Centre for the Blind	35,000	-	-	-	35,000
Helford River Children's Sailing Trust	5,000	-	-	(5,000)	-
Pause	-	-	-	60,000	60,000
Lucy Faithful Foundation	-	-	-	30,000	30,000
Prison reform Trust	-	-	-	20,000	20,000
Total designated funds	100,000	-	-	75,000	175,000
General funds	3,925,300	603,984	(449,034)	(75,000)	4,005,250
Total unrestricted funds	4,025,300	603,984	(449,034)	-	4,180,250

All income and expenditure relates to unrestricted funds. However, funds committed to individual grants have been treated as designated funds and therefore the movements are shown as transfers to/from designated funds.

13. Related party transactions

During the year the Trustees and key management personnel received no remuneration or reimbursement of expenses (2017 - £nil).

Also during the year the Charity received a donation of £87,500 (2017 - £112,500) from Mr D W Kaye, a Trustee of the Foundation of which £17,500 (2017 - £22,500) was receivable at the year end from HMRC in respect of gift aid.

14. Contingent liabilities

The charity recognises grant commitments made but not yet settled or provided for as contingent liabilities. These have not been accrued as performance related conditions have not yet been met. These commitments are expected to be settled within 1-2 years and will be funded from unrestricted reserves.

As at 31 July 2018, the value of contingent liabilities in respect of such commitments amounted to £175,000 (2017 - £100,000)

Institution	Year of award	Commitment at 1 August 2017	Expense recognised in 2017/18	New commitment In 2017/18	Commitment at 31 July 2018
British Friends of Israel Guide Dog Centre for Blind	2018	35,000	(35,000)	35,000	35,000
Helford River Children's Sailing Trust	2016	5,000	(5,000)	-	-
Unseen	2017	60,000	(30,000)	-	30,000
Lucy Faithful Foundation	2018	-	-	30,000	30,000
Prison Reform Trust	2018	-	-	20,000	20,000
Pause	2018	-	-	60,000	60,000
Total		**100,000**	**(70,000)**	**145,000**	**175,000**