

The Brian Murtagh Charitable Trust
Financial Statements
31 January 2019

The Brian Murtagh Charitable Trust

Financial Statements

Year ended 31 January 2019

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The Brian Murtagh Charitable Trust

Trustees' Annual Report

Year ended 31 January 2019

The trustees present their report and the financial statements of the charity for the year ended 31 January 2019.

Reference and administrative details

Registered charity name The Brian Murtagh Charitable Trust

Charity registration number 1105099

Principal office

The trustees

B Murtagh
L Gilbert
M Noble
S Jackson-Gray
M Hahn
E Murtagh (Probation Trustee)

Auditor Cannon Williamson
Chartered Certified Accountants & statutory auditor
Albion House
32 Pinchbeck Road
Spalding
PE11 1QD

Structure, governance and management

Induction and Training of Trustees

Every new trustee is familiarised with their role and responsibilities.

Organisational Structure

The charity is administered by the trustees without the employment of any staff. All decisions are made jointly by the trustees.

The Brian Murtagh Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 January 2019

Objectives and activities

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities.

Objectives and Activities

The Brian Murtagh Charitable Trust was formed in 2004, it became active in 2008 when Brian Murtagh donated £5,000,000 with the charity able to benefit from a £500,000 tax credit. The investments originally made were £3,000,000 in a listed share portfolio and £2,000,000 in a property income trust for charities and £500,000 held in a current account. Since its inception the charity has donated in excess of £5,000,000.

The charity was set up to donate to small childrens' charities that need funds to help them grow. The overriding principle is that children must be involved, needing help in the following categories: education, physical and learning disabilities, social disadvantage, poverty, sickness and trauma. Every child deserves a chance in life.

The charities should need our funds. The charities that we help grow will cease to be supported when their income has reached £500,000, but under exceptional circumstances this barrier may be breached. The charities must be inclusive. Individuals or families will be considered for support. Charities can be either UK based or worldwide.

Any application for a grant may be made on a form obtainable from our website or the Charity Commission website. There may be time lapse between application and acknowledgement.

Achievements and performance

Charitable Activities

The Brian Murtagh Charitable Trust made donations to 51 charities totalling £604,465.

Investment Performance

The total funds available at the end of the financial year decreased by £675,226. This decrease was not unexpected it was a result of the high level of grants made during 2018 coupled with a decline in the performance of the charity's stockmarket share portfolio. We intend to donate at a lower level over the next three years to protect our capital base.

The Brian Murtagh Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 January 2019

Financial review

Funding Source

The funding source in the year was mainly interest obtained from the application of existing investments

Investment Policy

The Brian Murtagh Charitable Trust has historically run a very successful investment policy, it does not need funds from the public.

We are not a front line charity, we do not solicit donations, so we have no direct contact with children or the public.

Should the trustees need to visit a charity we would expect to be covered by their safeguarding policy. This is requested prior to any donation.

Having provided the initial donation to the Brian Murtagh Charitable Trust; the founder wishes family members to be trustees in perpetuity, while ensuring there are non-family members acting as trustees to provide balance to the governance of the trust.

The Brian Murtagh Charitable Trust aims to keep its costs to an absolute minimum, legal, accountancy, website and room hire fees. Each trustee pays their own travelling expenses, postage and telephone calls. This policy can be changed by a unanimous vote.

Plans for future periods

The trustees aim to further identify those areas into which they wish to make donations and actively pursue those aims.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' 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 requires the charity trustees to prepare financial statements for each 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, 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 applicable Charities SORP;
 - make judgments 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 charity will continue in business.
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The Brian Murtagh Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 January 2019

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, the applicable Charities (Accounts and Reports) Regulations, 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.

The trustees' annual report was approved on 17 May 2019 and signed on behalf of the board of trustees by:

B Murtagh
Trustee

The Brian Murtagh Charitable Trust

Independent Auditor's Report to the Members of The Brian Murtagh Charitable Trust

Year ended 31 January 2019

Opinion

We have audited the financial statements of The Brian Murtagh Charitable Trust (the 'charity') for the year ended 31 January 2019 which comprise the statement of financial activities, statement of financial position, statement of cash flows 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 FRS 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 January 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

The Brian Murtagh Charitable Trust

Independent Auditor's Report to the Members of The Brian Murtagh Charitable Trust *(continued)*

Year ended 31 January 2019

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

The Brian Murtagh Charitable Trust

Independent Auditor's Report to the Members of The Brian Murtagh Charitable Trust *(continued)*

Year ended 31 January 2019

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Brian Murtagh Charitable Trust

Independent Auditor's Report to the Members of The Brian Murtagh Charitable Trust *(continued)*

Year ended 31 January 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, 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 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thomas Williamson (Senior Statutory Auditor)

For and on behalf of
Cannon Williamson
Chartered Certified Accountants & statutory auditor
Albion House
32 Pinchbeck Road
Spalding
PE11 1QD

24 May 2019

The Brian Murtagh Charitable Trust

Statement of Financial Activities

Year ended 31 January 2019

		2019	2018
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Investment income	4	689,312	436,410
Total income		<u>689,312</u>	<u>436,410</u>
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	5	604,465	563,746
Expenditure on charitable activities	6,7	18,243	3,796
Total expenditure		<u>622,708</u>	<u>567,542</u>
Net (losses)/gains on investments	9	(741,830)	404,540
Net (expenditure)/income and net movement in funds		<u>(675,226)</u>	<u>273,408</u>
Reconciliation of funds			
Total funds brought forward		6,738,350	6,464,942
Total funds carried forward		<u>6,063,124</u>	<u>6,738,350</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 12 to 17 form part of these financial statements.

The Brian Murtagh Charitable Trust

Statement of Financial Position

31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	13	5,849,547	6,591,377
Current assets			
Cash at bank and in hand		216,823	150,140
Creditors: amounts falling due within one year	14	3,246	3,167
Net current assets		213,577	146,973
Total assets less current liabilities		6,063,124	6,738,350
Net assets		6,063,124	6,738,350
Funds of the charity			
Unrestricted funds		6,063,124	6,738,350
Total charity funds	15	6,063,124	6,738,350

These financial statements were approved by the board of trustees and authorised for issue on 17 May 2019, and are signed on behalf of the board by:

B Murtagh
Trustee

The notes on pages 12 to 17 form part of these financial statements.

The Brian Murtagh Charitable Trust

Statement of Cash Flows

Year ended 31 January 2019

	2019 £	2018 £
Cash flows from operating activities		
Net (expenditure)/income	(675,226)	273,408
<i>Adjustments for:</i>		
Net (losses)/gains on investments	741,830	(404,540)
Other interest receivable and similar income	(689,312)	(436,410)
Interest payable and similar charges	208	245
Accrued expenses	79	67
Cash generated from operations	(622,421)	(567,230)
Interest paid	(208)	(245)
Interest received	689,312	436,410
Net cash from/(used in) operating activities	<u>66,683</u>	<u>(131,065)</u>
Net increase/(decrease) in cash and cash equivalents	66,683	(131,065)
Cash and cash equivalents at beginning of year	<u>150,140</u>	<u>281,205</u>
Cash and cash equivalents at end of year	<u>216,823</u>	<u>150,140</u>

The notes on pages 12 to 17 form part of these financial statements.

The Brian Murtagh Charitable Trust

Notes to the Financial Statements

Year ended 31 January 2019

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 9 Hanson Drive, Fowey, Cornwall, PL23 1ET.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Brian Murtagh Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Brian Murtagh Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

4. Investment income

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Bank interest receivable	284	284	27	27
Income from cash/settlements held in a UK investment portfolio	689,028	689,028	436,383	436,383
	<u>689,312</u>	<u>689,312</u>	<u>436,410</u>	<u>436,410</u>

5. Costs of raising donations and legacies

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Donations	<u>604,465</u>	<u>604,465</u>	<u>563,746</u>	<u>563,746</u>

The Brian Murtagh Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Support costs	18,243	18,243	3,796	3,796

7. Expenditure on charitable activities by activity type

	Support costs	Total funds 2019	Total fund 2018
	£	£	£
Governance costs	18,243	18,243	3,796

8. Governance and finance costs

	Analysis of support costs activity 1	Total 2019	Total 2018
	£	£	£
Finance costs	208	208	629
Governance costs	3,246	3,246	3,167
	3,454	3,454	3,796

9. Net (losses)/gains on investments

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Gains/(losses) on other investment assets	(741,830)	(741,830)	404,540	404,540

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

2019	2018
£	£

11. Auditors remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	3,246	3,167

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

The Brian Murtagh Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

13. Investments

	Other investments £
Cost or valuation	
At 1 February 2018	6,591,377
Additions	–
Fair value movements	(741,830)
At 31 January 2019	<u>5,849,547</u>
Impairment	
At 1 February 2018 and 31 January 2019	–
Carrying amount	
At 31 January 2019	<u>5,849,547</u>
At 31 January 2018	<u>6,591,377</u>

All investments shown above are held at valuation.

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	<u>3,246</u>	<u>3,167</u>

15. Analysis of charitable funds

Unrestricted funds

	At 1 February 20 18 £	Income £	Expenditure £	Gains and losses £	At 31 January 20 19 £
General funds	<u>6,738,350</u>	<u>689,312</u>	<u>(622,708)</u>	<u>(741,830)</u>	<u>6,063,124</u>

	At 1 February 20 17 £	Income £	Expenditure £	Gains and losses £	At 31 January 20 18 £
General funds	<u>6,464,942</u>	<u>436,410</u>	<u>(567,542)</u>	<u>404,540</u>	<u>6,738,350</u>

The Brian Murtagh Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 January 2019

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2019 £
Investments	5,849,547	5,849,547
Current assets	216,823	216,823
Creditors less than 1 year	(3,246)	(3,246)
Net assets	<u>6,063,124</u>	<u>6,063,124</u>

	Unrestricted Funds £	Total Funds 2018 £
Investments	6,591,377	13,182,754
Current assets	150,140	300,280
Creditors less than 1 year	(3,167)	(6,334)
Net assets	<u>6,738,350</u>	<u>13,476,700</u>

17. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	<u>5,847,547</u>	<u>6,591,377</u>

18. APB ethical standards

In common with many other charities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.