

The Mackintosh Foundation

Report and Financial Statements

Year Ended

31 March 2021

Company No: 02239812

The Mackintosh Foundation

Report and financial statements for the year ended 31 March 2021

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Reference and administrative details

Trustees/Directors	Sir Cameron Mackintosh N D Allott OBE A P Constable A A Finch CBE N I M Mackintosh R F S Noble F R Pappas B G Peerless T T E Schönberg
General Secretary	R T Knibb, ACA
Company Secretary	R T Knibb, ACA
Registered Office	1-2 Bedford Square, London, WC1B 3RB
Company Number:	2239812
Charity Registration Number:	327751
Auditor	BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
Solicitors	Charles Russell Speechlys LLP, 5 Fleet Place, London, EC4M 7RD
Bankers	National Westminster Bank plc, Covent Garden Branch, London, WC2E 8NL
Investment Advisor	A J Hutton Limited, Third Floor, 20 Old Bailey, London, EC4M 7AN

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021

The Trustees submit their report, together with the audited financial statements, for the year ended 31 March 2021. The financial statements comply with current statutory requirements and with the requirements of the charity's governing document. The reference and administration details shown on the preceding page form part of this report.

Structure, governance and management

The Foundation is a company limited by guarantee and does not have a share capital. Being of charitable status, the word 'Limited' has been omitted from the name of the Foundation, in accordance with Section 60, Companies Act 2006.

The Foundation was incorporated on 31 March 1988. It is governed by its Memorandum and Articles of Association.

The company is a registered charity (No: 327751).

The Trustees (who are directors for the purposes of company law) who are appointed by the members of the Foundation were, throughout the year, as follows:

Sir Cameron Mackintosh
N D Allott OBE
A P Constable
A A Finch CBE
N I M Mackintosh
R F S Noble
F R Pappas
B G Peerless
T T E Schönberg

The current constitution of the Foundation consists of four members (including the Founder) and nine Trustees. The nine Trustees include the four members. The Trustees except for the founder member are elected annually by the members. The existing members may from time to time establish reserve lists for the appointment of new members and/or Trustees to fill vacancies as the existing members' in their discretion think fit.

The induction process for potential new Trustees comprises meeting with the Founder member and other Trustees, attending meetings of the Trustees, and discussions with the General Secretary regarding the responsibilities of being a Trustee. A pack is provided to all new Trustees including a history of the Foundation, copies of recent board minutes, copies of financial statements details concerning the financial position of the Foundation and any, other relevant information.

The Trustees meet in plenary session once a year when, among other things, they review and discuss the then current financial state and overall strategy of the Foundation and implementation of past decisions. Due to Coronavirus COVID-19 restrictions, the Trustees did not meet during 2020, nevertheless they have been in regular contact via conference calls regarding the affairs of the Foundation. Matters discussed and reviewed by the Trustees includes consideration of donation-making activities (both past and present), the current state of the Foundation's reserves and cash flow requirements, its investment policy and performance.

In March 2020 because of the COVID pandemic, the Trustees took the decision to cease all normal donation making activities and stopped accepting any new applications in the short and medium term; the position remaining the same at the date of this report. This decision has not in any way affected any forward commitments which have been and continue to be fulfilled. The current year has seen the focus of the Foundation change to making fewer, larger donations; 23 donations totalling £1,098,747 compared to the previous financial year when 168 donations were made totalling £1,689,732. In addition to this the Foundation has centred its donation giving activity on theatre related pastoral care which has accounted for 87% of donations compared to 1% in the previous year. Further analysis of the category of donations made is disclosed later in this report.

The day-to-day administration of the Foundation's affairs is conducted by the General Secretary, in conjunction with the Appeals Director, in accordance with strict terms of reference laid down by the Board of Trustees, to whom he reports and from whom he seeks instructions regularly as and when necessary. The current General Secretary, who is a Chartered Accountant, also keeps the Foundation's records up to date, and monitors its financial affairs.

The trustees are committed to the principles of the Charity Governance Code.

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Risk policy

Pursuant to the Charity Commission's "Statement of Recommended Practice" (SORP) the Trustees previously commissioned the preparation of an internal report on the risks faced by the Foundation and the adequacy of the controls in place to minimise those risks. In particular the report considered the Foundation's risk exposure under the following headings:

- Investment losses;
- Ability to meet forward pledges;
- Financial procedures;
- Insolvency;
- Fraud; and
- Covid-19.

A key component of the Trustees' strategy to manage risk is the policy of regularly reviewing the risks faced.

Objectives and activities for the public benefit

The Objects of the Foundation are:

- To advance the education of the public both in the United Kingdom and elsewhere in the arts and in particular (but without prejudice to the generality of the foregoing) the performing arts of music drama and the theatre in all their forms;
- To advance the education of the public generally both in the United Kingdom and elsewhere and in particular but without prejudice to the generality of the foregoing to establish and maintain scholarships bursaries and awards to be awarded for proficiency in drama music and/or the dramatic or ancillary performing arts;
- To relieve or assist in the relief of the poverty and of persons who are in conditions of need hardship or distress from any cause whatsoever and whether those persons are present in the United Kingdom or elsewhere;
- To relieve sickness and to protect and preserve the health of all persons both in the United Kingdom and elsewhere;
- To promote the conservation protection and enhancement in the United Kingdom of nature and the amenities of the countryside including (but not by way of limitation) any areas of outstanding natural beauty or of special scientific or historic interest for the benefit of the public;
- To promote the conservation protection and enhancement in the United Kingdom of buildings of architectural scientific historic or public interest for the benefit of the public; and
- Such other charitable objects in the United Kingdom and elsewhere as the trustees in their discretion think fit, as to which and without prejudice the generality of the foregoing, to have particular regard to charitable objects relating to the theatre, children, the poor, the sick and the homeless.

The aim is to carry out these objectives by all such lawful means as the Trustees think fit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on a public benefit when reviewing the Foundation's aims and objectives and in setting the donation making policy for the year and the future.

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Objectives and activities for the public benefit (*continued*)

The Foundation carries out these objectives by:

- Financing education in the United Kingdom and abroad by making donations to schools' core costs and assisting the disadvantaged;
- Funding the relief of poverty and those in hardship or distress in the United Kingdom and abroad;
- Promoting and developing theatrical, musical and dramatic arts by a variety of means including education, theatre refurbishment/restoration programmes and the support of a broad range of theatre productions for the enjoyment and education of the public at large;
- Funding medical research and the relief of sickness generally;
- Providing donations to environmental projects aimed at the conservation, protection and enhancement of nature in the United Kingdom and elsewhere; and
- Funding community based projects where often a relatively small donation can make a big impact to many people both immediately and into the future.

Achievements and performance

The table below shows the split of the donations by category.

Note: percentage figures are rounded to the nearest whole number.

a. Total Donations during the year ended 31 March 2021

Category	2021 (£)	2021 (%)	2020 (£)	2020 (%)
Children and Education	-	-	163,922	10
Community Projects	16,300	1	121,429	7
The Environment	-	-	11,500	1
The Homeless	31,692	3	11,000	1
Medical				
Medical - General	87,494	8	82,524	5
Medical – AIDS/HIV	-	-	5,920	0
Medical – Cancer	-	-	26,750	2
	135,486	12	115,194	7
Theatre and The Performing Arts				
Theatre buildings	-	-	1,050,000	62
Theatre company development	1,000	-	14,616	1
Children's theatre	-	-	10,680	1
Promotion of new theatrical and musical works	5,000	-	44,035	3
Theatre related pastoral care	952,948	87	24,408	1
Theatrical training and education	12,484	1	112,589	7
	971,432	88	1,256,328	75
Exchange movement	(8,171)	0	10,359	-
Total Donations	1,098,747	100	1,689,732	100

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Achievements and performance (*continued*)

Major donations paid or pledged during the year were: £625,875 Theatre Development Trust (Theatre Artists Fund); £177,362 Acting for Others; £113,244 Musicians' Union Coronavirus Hardship Fund; and £88,244 NHS Charities Together.

The total number and value of donations made during the year can be summarised as follows, on the basis that where more than one donation has been made to the same donee in the same year, these have been aggregated:

	2021 Number	2020 Number
More than £75,000	4	1
£50,000 - £75,000	-	4
£20,000 - £49,999	2	2
£10,000 - £19,999	3	10
£ 5,000 - £ 9,999	2	17
£ 1,000 - £ 4,999	7	106
Less than £1,000	5	28
	<hr/>	<hr/>
	23	168
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A list of donations greater and equal to £5,000 is shown in note 4 of the accounts.

The Foundation has a computerised database for its donations register which facilitates the analysis and fast retrieval of information in relation to its donation making activities. Hard copies of essential computerised records are also maintained and kept up to date.

Financial review

The results for the year are set out in the statement of financial activities on page 10.

The Foundation's income comprises donations receivable, investment income on unrestricted and endowment funds and interest receivable.

Investment policy and objectives

- 1 To ensure that the funds are properly protected so that capital is invested only at minimal or low risk, with reasonable regard for the desirability of diversification.
- 2 To aim to achieve a long term real rate of return in excess of the rate of UK inflation after fees and costs. The portfolio is managed for total return i.e. income and capital.
- 3 To keep sufficient invested funds invested in such a manner as to enable them to be encashed at short notice with little or no penalty should the need arise.
- 4 To seek advice consistent with the above from a professional investment consultant, who is regulated under Financial Services Act 1986, whenever appropriate having regard to the amount of money available for investment and the period contemplated for the investment concerned.
- 5 To monitor and review the quality of investment advice received as aforesaid in light of past performance and to make such changes in the identity of investment consultant from time to time as may to the Trustees seem appropriate.
- 6 The Trustees are aware that the rate of spending exceeds the level of investment return and accept that the real value of the portfolio is falling. The Trustees therefore acknowledge that it will be impossible to maintain current levels of expenditure in the long term without a further major donation.

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Investment performance review

The Trustees consider that the investment performance during the year has been satisfactory and in line with expectations and investment policy.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Foundation will continue in operational existence for the foreseeable future.

The Foundation has very little overheads or liabilities. Current liabilities and donation commitments can be serviced through the current cash available.

The Trustees confirm that they have complied with the requirements of Companies Act 2006. The Trustees have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the Foundation to continue as a going concern. Based on the assessment they have made of the Foundation's financial situation they have concluded they have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

As such the Trustees have adopted the going concern basis in preparing the Annual Report and Financial Statements.

Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which enables the Foundation to meet at least three months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for donations and ensure that there are sufficient funds available to cover support and governance costs. The Trustees aim to achieve this free reserve policy by careful cash flow management and forecasting which is carried out on a continuous basis by the General Secretary and investment advisors, and reviewed by the investment sub-committee and Trustees. This forecast reviews the anticipated income and expenditure of the Foundation, not only in the immediate future but also over the longer term horizon. The current policy includes the transfer of expendable endowment to unrestricted funds as required.

The balance held as unrestricted reserves at 31 March 2021 is £13,778,436, of which £8,531,145 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets and long term funding commitments. After the year end the trustees approved the transfer from cash to investments of £5.6m, thus reducing the free reserves to £2,931,145.

Plans for the future

The Foundation intends to continue to support a wide variety of activities, concentrated on the areas described in this report.

Fixed assets

Investments are held in accordance with the Trustees' powers.

Fundraising activities

The Foundation does not currently carry out any fundraising activities.

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2021 (*continued*)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, 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 Companies Act 2006.

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.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the Trustees 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.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the Trustees and signed on their behalf by



Nicholas Allott OBE

Trustee

Date 21/10/2021

The Mackintosh Foundation

Independent auditor's report to the members of The Mackintosh Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of 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 Companies Act 2006.

We have audited the financial statements of The Mackintosh Foundation ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

The Mackintosh Foundation

Independent auditor's report to the members of The Mackintosh Foundation (*continued*)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: Reference and administrative details and the Report of the Trustees. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Trustee's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Mackintosh Foundation

Independent auditor's report to the members of The Mackintosh Foundation (*continued*)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charitable Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override and considered that the principal risks were related to the posting of inappropriate journal entries.

Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Identifying and testing journal entries as part of our planned audit approach

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

David I'Anson

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David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton, UK

Date 27 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Mackintosh Foundation

Statement of financial activities (incorporating the income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies	2	39,204	-	39,204	10,084,187
Investments	3	60,605	-	60,605	48,716
Total income		99,809	-	99,809	10,132,903
Expenditure on:					
Charitable expenditure	4	1,168,070	-	1,168,070	1,754,899
Total expenditure		1,168,070	-	1,168,070	1,754,899
Net (expenditure)/income and net movement in funds before gains and losses on investments		(1,068,261)	-	(1,068,261)	8,378,004
Net gains/(losses) on investments		964,209	50,000	1,014,209	(114,226)
Net (expenditure)/income		(104,052)	50,000	(54,052)	8,263,778
Reconciliation of funds					
Total funds brought forward		13,882,488	450,000	14,332,488	6,068,710
Total funds carried forward		13,778,436	500,000	14,278,436	14,332,488

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 13 to 22 form part of these financial statements.

The Mackintosh Foundation

Balance sheet at 31 March 2021

Company number 2239812	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	8		5,747,291		4,733,082
Current assets					
Debtors	9	-		2,004,272	
Cash at bank		9,221,517		8,780,774	
		9,221,517		10,785,046	
Liabilities					
Creditors: amounts falling due within one year	10	(352,694)		(583,267)	
Net current assets			8,868,823		10,201,779
Total assets less current liabilities			14,616,114		14,934,861
Creditors: amounts falling due after more than one year	11		(337,678)		(602,373)
Net assets			14,278,436		14,332,488
The funds of the charity					
Expendable endowment funds	12		500,000		450,000
Unrestricted income funds			13,778,436		13,882,488
Total charity funds	14		14,278,436		14,332,488

The financial statements were approved by the Board of Trustees and authorised for issue on 21/10/2021



Nicholas Allott OBE
Trustee



Alan Finch CBE
Trustee

The notes on pages 13 to 22 form part of these financial statements.

The Mackintosh Foundation

Statement of cash flows for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash generated by operating activities	15	434,688	7,078,838
Cash flows from investing activities			
Interest income		6,055	5,982
Cash generated by investing activities		6,055	5,982
Increase in cash in the year		440,743	7,084,820
Cash at the beginning of the year		8,780,774	1,695,954
Total cash at the end of the year		9,221,517	8,780,774

The notes on pages 13 to 22 form part of these financial statements.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies

The Mackintosh Foundation is a charitable company limited by guarantee and registered in England and Wales. The liability in respect of the guarantee is limited to £100 per member. The registered office, company number and registered charity number is disclosed on the contents page.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

The Mackintosh Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Foundation will continue in operational existence for the foreseeable future.

The Trustees have considered the impact which the current economic downturn, triggered by COVID-19 could have on the ability of the Foundation to continue as a going concern. The Foundation has very little overheads or liabilities - current liabilities and donation commitments can be serviced through the current cash available. Based on the assessment they have made of the Foundation's financial situation; they have concluded they have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the accounts.

As such, the Trustees have adopted the going concern basis in preparing the Annual Report and Financial Statements.

Income recognition

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

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

1 Accounting policies (*continued*)

Income recognition (continued)

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Rental income is recognised over the length of the lease. Adjustments for lease incentives are held in debtors and released as a debit to income on a straight line basis over the full term of the lease.

Interest receivable

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Donations payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional donation offer this is accrued once the recipient has been notified of the donation award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year donation. Donations awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the donation and any remaining unfulfilled condition attaching to that donation is outside of the control of the charity.

Provisions for donations are made when the intention to make a donation has been communicated to the recipient but there is uncertainty as to the timing of the donation or the amount of donation payable.

The provision for a multi-year donation is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the donation award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

1 Accounting policies (*continued*)

Allocation of support costs

Support costs are those functions that assist the whole of the charity but do not directly undertake charitable activities. These costs have been allocated against charitable expenditure. The nature of support costs are set out in note 5.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual donation awards made in recognition that the administrative costs of awarding, monitoring and assessing donations are broadly equivalent. The allocation of support and governance costs is analysed in note 5.

Investments

Investments are carried at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Income received during the year is taken to the General Fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Assets and liabilities not recognised in the accounts

No value is placed on inalienable property, or on property considered by the Trustees to be for all practicable purposes inalienable by reason of it being deemed by the Trustees to be held for preservation at least for the foreseeable future in accordance with the wishes of the donors.

2 Donations and legacies

	2021 £	2020 £
Donations	100	10,045,000
Donated services and facilities	39,000	39,000
Other	104	187
	<hr/>	<hr/>
	39,204	10,084,187
	<hr/> <hr/>	<hr/> <hr/>

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

3 Investment income	2021	2020
	£	£
Bank interest	6,055	5,982
Amounts received from UK investment property	54,550	42,734
	<u>60,605</u>	<u>48,716</u>

4 Charitable expenditure	2021	2020
	£	£
Analysis of expenditure on charitable activities		
Donations to individuals	-	4,000
Donations to institutions	1,106,918	1,675,373
Exchange difference on foreign currency donations	(8,171)	10,359
Support and governance costs (note 5)	69,323	65,167
	<u>1,168,070</u>	<u>1,754,899</u>

During the year donations were awarded to nil individuals (2020 - 2) and to 23 institutions (2020 - 166).

	2021	2020
	£	£
Donations by type of activity		
Children and Education	-	163,922
Community Projects	16,300	121,429
The Environment	-	11,500
The Homeless	31,692	11,000
Medical	87,494	115,194
Theatre and the Performing Arts	971,432	1,256,328
Exchange difference on foreign currency amounts	(8,171)	10,359
	<u>1,098,747</u>	<u>1,689,732</u>

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

4 Charitable expenditure (*continued*)

Donations during the year greater and equal to £5,000 were as follows:

Donation recipient	2021
	£
Theatre Development Trust (re Theatre Artists Fund)	625,875
Acting for Others	177,362
Musicians' Union Coronavirus Hardship Fund	113,244
NHS Charities Together (Captain Tom Moore's C19 Trust)	88,244
The Royal Theatrical Fund	25,000
Social Bite	25,000
Charlton Musgrove Memorial Hall	10,000
Mallaig Pool & Leisure (previously Mallaig & District Swimming Pool Association)	10,000
Roundhouse Trust	10,000
The Actors Fund	7,667
The National Student Drama Festival Ltd	5,000
Total of other donations individually less than £5,000	9,526
Exchange movements on foreign currency donations	(8,171)
	<hr/>
Total	1,098,747
	<hr/> <hr/>

Details of major donations and the total number and value of donations made by the Foundation during the year can be found in the Report of the Trustees.

5 Support and governance costs

	2021	2020
	£	£
Legal and administration fees	16,553	12,842
Auditor's remuneration – audit services	12,600	13,080
Other costs	1,170	245
Donated services and facilities	39,000	39,000
	<hr/>	<hr/>
	69,323	65,167
	<hr/> <hr/>	<hr/> <hr/>

No Trustee received any remuneration or reimbursement of expenses during the year (2020 - None). All the above figures include irrecoverable VAT where applicable.

The charity has no employees. Cameron Mackintosh Limited provides staff and facilities to undertake the day to day management of the charity. These costs are included in the £39,000 (2020 - £39,000) donated services and facilities figure.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

5 Support and governance costs (*continued*)

Allocation of support and governance costs	2021 £	2020 £
Children and education	-	6,322
Community projects	1,028	4,683
The environment	-	443
The homeless	2,000	424
Medical	5,520	4,443
Theatre and the performing arts	60,775	48,852
	<hr/>	<hr/>
	69,323	65,167
	<hr/> <hr/>	<hr/> <hr/>

6 Taxation

No taxation has been provided in the accounts because, as a registered charity, the company is exempt in accordance with the provisions of Section 505 of the Income and Corporation Taxes Act, 1988 on its charitable activities.

7 Tangible assets

No value has been attributed to certain parcels of land and interest in land in the Western Highlands of Scotland, including the reversionary interest on two 999 year leases of certain properties, as the Trustees regard it for all practicable purposes as inalienable, at least for the foreseeable future, in accordance with the wishes of the donors.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

8 Investments

Investments are stated at market value at the balance sheet date. Investment Three constitutes the Expendable Endowment Fund described in note 12 and investment Five constitutes the General Fund. Income received in respect of the endowment fund during the year has been credited to the General Fund.

	Number Three £	Number Five £	Total £
<i>Market value</i>			
At 1 April 2020	450,000	4,283,082	4,733,082
Increase in market value in year	50,000	964,209	1,014,209
At 31 March 2021	500,000	5,247,291	5,747,291
<i>Cost</i>			
At 31 March 2021	721,231	4,000,000	4,721,231
At 31 March 2020	721,231	4,000,000	4,721,231

Investment Three is an investment property purchased in February 2005 and was valued at 31 March 2021 at fair value, determined by an independent qualified valuer. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

Investment number Five includes £2,648,430 (2020 - £2,122,028) invested in Cazenove Charity Multi-asset fund and £2,598,861 (2020 - £2,161,054) in CF Ruffer Absolute Return Fund.

9 Debtors

	2021 £	2020 £
Accrued income	-	4,272
Other debtors	-	2,000,000
	-	2,004,272

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	1	2
Accruals	15,152	12,673
Donation commitments	337,541	570,592
	352,694	583,267

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

11 Creditors: amounts falling due in more than one year

	2021 £	2020 £
Donation commitments	287,000	602,373
Other creditors	50,678	-
	<u>337,678</u>	<u>602,373</u>

Included in creditors falling due within one year and falling due in more than one year are the following donation commitments:

- Mountview Academy of Theatre Arts - £500,000, payable in equal instalments over two years
- Royal Conservatoire of Scotland - £48,000, payable in equal instalments over four years.
- Royal Academy of Dramatic Art - £20,000 payable in one final instalment.

Movement in recognised provision and funding commitments during the year

	Donation commitments £
Donation commitments recognised at 1 April 2020	1,172,965
New donation commitments charged to the SOFA in year	1,106,918
Donations paid during the year	(1,647,171)
Exchange movements	(8,171)
	<u>624,541</u>

Amount of donation commitments recognised as at 31 March 2021

There are no performance conditions attached to these donations.

12 Expendable Endowment Funds

	£
Market value of fund at beginning of year	450,000
Increase in market value in year	50,000
	<u>500,000</u>

13 Foundation Funds

The Foundation funds comprise:

- A General Fund which it uses for its donation making activities and running expenses. The movements on this investment fund are disclosed on the face of Statement of Financial Activity; and
- An Expendable Endowment Fund invested to provide income and capital growth for the General Fund.

The Foundation is the sole trustee of each endowment fund whose charitable objects are the same as those of the Foundation.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

14 Analysis of net assets between Funds

	General Fund £	Expendable Endowment Funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Investments	5,247,291	500,000	5,747,291
Current assets	9,221,517	-	9,221,517
Creditors: amounts falling due within one year	(352,694)	-	(352,694)
Creditors: amounts falling due in more than one year	(337,678)	-	(337,678)
	<u>13,778,436</u>	<u>500,000</u>	<u>14,278,436</u>

	General Fund £	Expendable Endowment Funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Investments	4,283,082	450,000	4,733,072
Current assets	10,785,046	-	10,785,046
Creditors: amounts falling due within one year	(583,267)	-	(583,267)
Creditors: amounts falling due in more than one year	(602,373)	-	(602,373)
	<u>13,882,488</u>	<u>450,000</u>	<u>14,332,488</u>

15 Reconciliation of net movements in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	(1,068,261)	8,378,004
Interest income	(6,055)	(5,982)
Decrease/(increase) in debtors	2,004,272	(1,791,453)
(Decrease)/increase in creditors	(495,268)	498,269
	<u>434,688</u>	<u>7,078,838</u>
Net cash generated by operating activities	<u>434,688</u>	<u>7,078,838</u>

16 Related party transactions

During the year ended 31 March 2021 donated services of £39,000 (2020 - £39,000) were received from Cameron Mackintosh Limited and £73 (2020 - £1,652) was paid to Cameron Mackintosh Limited, a company in which the directors of The Mackintosh Foundation are also directors.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

17 Statement of financial activities as at 31 March 2020

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £
Income and endowments from:				
Donations and legacies	2	10,084,187	-	10,084,187
Investments	3	48,716	-	48,716
		<hr/>	<hr/>	<hr/>
Total income		10,132,903	-	10,132,903
		<hr/>	<hr/>	<hr/>
Expenditure on:				
Charitable expenditure	4	1,754,899	-	1,754,899
		<hr/>	<hr/>	<hr/>
Total expenditure		1,754,899	-	1,754,899
		<hr/>	<hr/>	<hr/>
Net income and net movement in funds before gains and losses on investments		8,378,004	-	8,378,004
Net losses on investments		(114,226)	-	(114,226)
		<hr/>	<hr/>	<hr/>
Net income		8,263,778	-	8,263,778
Transfers between funds		-	-	-
		<hr/>	<hr/>	<hr/>
Net movement in funds		8,263,778	-	8,263,778
		<hr/>	<hr/>	<hr/>
Reconciliation of funds				
Total funds brought forward		5,618,710	450,000	6,068,710
		<hr/>	<hr/>	<hr/>
Total funds carried forward		13,882,488	450,000	14,332,488
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>