

# **The Mackintosh Foundation**

Report and Financial Statements

Year Ended

31 March 2022

Company No: 02239812

# The Mackintosh Foundation

Report and financial statements  
for the year ended 31 March 2022

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## Reference and administrative details

<b>Trustees/Directors</b>	Sir Cameron Mackintosh N D Allott OBE A P Constable A A Finch CBE N I M Mackintosh R F S Noble OBE F R Pappas B G Peerless T T E Schönberg
<b>General Secretary</b>	R T Knibb, ACA
<b>Company Secretary</b>	R T Knibb, ACA
<b>Registered Office</b>	1-2 Bedford Square, London, WC1B 3RB
<b>Company Number:</b>	2239812
<b>Charity Registration Number:</b>	327751
<b>Auditor</b>	BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
<b>Solicitors</b>	Charles Russell Speechlys LLP, 5 Fleet Place, London, EC4M 7RD
<b>Bankers</b>	National Westminster Bank plc, Covent Garden Branch, London, WC2E 8NL
<b>Investment Advisor</b>	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 2022

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The Trustees submit their report, together with the audited financial statements, for the year ended 31 March 2022. 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 OBE  
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. Matters discussed and reviewed by the Trustees include 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 activities and stopped accepting new applications. During the current year the Foundation has continued to operate on a reduced basis and has made only 22 grants, totalling £137,813 (2021 - 23 grants, totalling £1,098,747). The last 2 years has also given the Trustees time to "pause and reflect" on how future grant making activity should be directed, to achieve maximum impact and provide the best value for money. In the future, whilst the Foundation will continue to support the good causes and charities that it has historically backed, in addition it will research and support a smaller number of causes, such as theatre and the performing arts, theatre training and education and adolescent mental health.

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 2022 (continued)

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### 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.

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 2022 (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.

Category	2022 (£)	2022 (%)	2021 (£)	2021 (%)
Children and Education	72,909	53	-	-
Community Projects	5,000	4	16,300	1
The Homeless	-	-	31,692	3
Medical	6,700	5	87,494	8
	<u>84,609</u>	<u>62</u>	<u>135,486</u>	<u>12</u>
<b>Theatre and The Performing Arts</b>				
Theatre buildings	3,000	2	-	-
Theatre company development	6,000	4	1,000	-
Children's theatre	350	-	-	-
Promotion of new theatrical and musical works	15,000	11	5,000	-
Theatre related pastoral care	21,554	16	952,948	87
Theatrical training and education	7,300	5	12,484	1
	<u>53,204</u>	<u>38</u>	<u>971,432</u>	<u>88</u>
Exchange movement	-	-	(8,171)	-
<b>Total Donations year ended 31 March 2022</b>	<u><b>137,813</b></u>	<u><b>100</b></u>	<u><b>1,098,747</b></u>	<u><b>100</b></u>

# The Mackintosh Foundation

## Report of the Trustees for the year ended 31 March 2022 (continued)

### Achievements and performance (continued)

Major donations paid or pledged during the year were: £50,000 War Child.

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:

	2022 Number	2021 Number
More than £75,000	-	4
£50,000 - £75,000	1	-
£20,000 - £49,999	-	2
£10,000 - £19,999	3	3
£ 5,000 - £ 9,999	8	2
£ 1,000 - £ 4,999	5	7
Less than £1,000	5	5
	<hr/>	<hr/>
	22	23
	<hr/>	<hr/>

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 2022 *(continued)*

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### **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 have prepared cashflow forecasts for a period of 12 months from the date of signing the financial statements. The forecasts indicate that the Foundation has sufficient cash available to meet its liabilities as they fall due for a period of at least 12 months from the date of signing of the financial statements. On this basis, 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.

Net current assets held at 31 March 2022 amounted to £2,897,060.

### **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 2022 (*continued*)

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## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 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 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.

## Disclosure of information to Auditor

In so-far as each of 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.

Approved by the Trustees and signed on their behalf by



**Nicholas Allott OBE**  
Trustee

Date 23/11/2022

# The Mackintosh Foundation

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

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### 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 2022 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 2022 which comprise the statement of financial activities (incorporating the income and expenditure account), 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 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.

### 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. 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 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 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.

# The Mackintosh Foundation

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

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### Other Companies Act 2006 reporting

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

- the information given in the Report of the Trustees, 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 Report of the Trustees, 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 misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### 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 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 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.

### 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.

# The Mackintosh Foundation

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

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### *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 evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override and considered that the principal risk was related to the posting of inappropriate journal entries.

Audit procedures performed included:

- 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 30 November 2022

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 2022

	Note	Unrestricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and legacies	2	13,678	-	13,678	39,204
Investments	3	56,881	-	56,881	60,605
<b>Total income</b>		<b>70,559</b>	<b>-</b>	<b>70,559</b>	<b>99,809</b>
<b>Expenditure on:</b>					
Charitable expenditure	4	179,327	-	179,327	1,168,070
<b>Total expenditure</b>		<b>179,327</b>	<b>-</b>	<b>179,327</b>	<b>1,168,070</b>
<b>Net expenditure and net movement in funds before gains on investments</b>		<b>(108,768)</b>	<b>-</b>	<b>(108,768)</b>	<b>(1,068,261)</b>
<b>Net gains on investments</b>	8	554,387	140,000	694,387	1,014,209
<b>Net income/(expenditure)</b>		<b>445,619</b>	<b>140,000</b>	<b>585,619</b>	<b>(54,052)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		13,778,436	500,000	14,278,436	14,332,488
<b>Total funds carried forward</b>		<b>14,224,055</b>	<b>640,000</b>	<b>14,864,055</b>	<b>14,278,436</b>

All amounts relate to continuing activities.

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

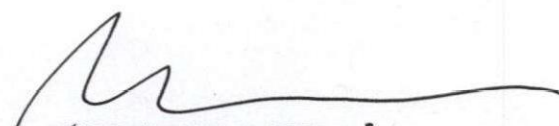
The notes on pages 13 to 22 form part of these financial statements.

# The Mackintosh Foundation

Balance sheet at 31 March 2022

<i>Company number 2239812</i>	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Investments	8		12,041,678		5,747,291
<b>Current assets</b>					
Cash at bank		3,171,660		9,221,517	
		<u>3,171,660</u>		<u>9,221,517</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	(274,600)		(352,694)	
		<u>(274,600)</u>		<u>(352,694)</u>	
<b>Net current assets</b>			2,897,060		8,868,823
<b>Total assets less current liabilities</b>			<u>14,938,738</u>		<u>14,616,114</u>
Creditors: amounts falling due after more than one year	10		(74,683)		(337,678)
			<u>(74,683)</u>		<u>(337,678)</u>
<b>Net assets</b>			<u>14,864,055</u>		<u>14,278,436</u>
<b>The funds of the charity</b>					
Expendable endowment funds	11		640,000		500,000
			<u>640,000</u>		<u>500,000</u>
General fund			14,224,055		13,778,436
			<u>14,224,055</u>		<u>13,778,436</u>
<b>Total charity funds</b>	13		<u>14,864,055</u>		<u>14,278,436</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23/11/2022.

  
**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 2022

	Note	2022 £	2021 £
Cash (used in)/generated by operating activities	14	(450,430)	434,688
<b>Cash flows from investing activities</b>			
Interest income		573	6,055
Purchase of investments		(5,600,000)	-
<b>Cash (used in)/generated by investing activities</b>		<b>(5,599,427)</b>	<b>6,055</b>
(Decrease)/increase in cash in the year		(6,049,857)	440,743
Cash at the beginning of the year		9,221,517	8,780,774
Total cash at the end of the year		3,171,660	9,221,517

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 2022

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

The Trustees have prepared cashflow forecasts for a period of 12 months from the date of signing the financial statements. The forecasts indicate that the Foundation has sufficient cash available to meet its liabilities as they fall due for a period of at least 12 months from the date of signing of the financial statements. On this basis, 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 2022 (*continued*)

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## 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 2022 (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

	2022 £	2021 £
Donations	-	100
Donated services and facilities	13,500	39,000
Other	178	104
	<hr/>	<hr/>
	13,678	39,204
	<hr/>	<hr/>

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

3 Investment income	2022 £	2021 £
Bank interest	573	6,055
Amounts received from UK investment property	56,308	54,550
	56,881	60,605

4 Charitable expenditure	2022 £	2021 £
<b>Analysis of expenditure on charitable activities</b>		
Donations to institutions	137,813	1,106,918
Exchange difference on foreign currency donations	-	(8,171)
Support and governance costs (note 5)	41,514	69,323
	179,327	1,168,070

The number of donations during the year awarded to institutions was 22 (2021 – 23). No donations were awarded to individuals (2021 – nil).

Donations by type of activity	2022 £	2021 £
Children and Education	72,909	-
Community Projects	5,000	16,300
The Homeless	-	31,692
Medical	6,700	87,494
Theatre and the Performing Arts	53,204	971,432
Exchange difference on foreign currency amounts	-	(8,171)
	137,813	1,098,747

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2022 *(continued)*

### 4 Charitable expenditure *(continued)*

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

Donation recipient	2022 £
War Child	50,000
Acting for Others	13,203
Roundhouse Trust	11,000
Bristol Old Vic Theatre	10,000
Musicians' Union Coronavirus Hardship Fund	5,351
NHS Charities Together (Captain Tom Moore's C19 Fund)	5,351
Caedmon Company, The	5,300
West Virginia University Foundation - Doris Nicholas Scholarship	5,163
Collateral Global	5,000
Page One Project, The	5,000
Sullivan's Heroes	5,000
Writers' Guild of Great Britain	5,000
	125,368
Total	125,368

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

	2022 £	2021 £
Legal and administration fees	15,391	16,553
Auditor's remuneration – audit services	12,600	12,600
Other costs	23	1,170
Donated services and facilities	13,500	39,000
	41,514	69,323
	41,514	69,323

No Trustee received any remuneration or reimbursement of expenses during the year (2021 - 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 £13,500 (2021 - £39,000) donated services and facilities figure.

# The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

## 5 Support and governance costs (*continued*)

Allocation of support and governance costs	2022 £	2021 £
Children and education	21,963	-
Community projects	1,506	1,028
The homeless	-	2,000
Medical	2,018	5,520
Theatre and the performing arts	16,027	60,775
	<hr/>	<hr/>
	41,514	69,323
	<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 2022 (*continued*)

### 8 Investments

Investments are stated at market value at the balance sheet date. Investment Three constitutes the Expendable Endowment Fund described in note 11 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 2021	500,000	5,247,291	5,747,291
Additions	-	5,600,000	5,600,000
Increase in market value in year	140,000	554,387	694,387
	<b>640,000</b>	<b>11,401,678</b>	<b>12,041,678</b>
<i>Cost</i>			
At 31 March 2022	721,231	9,600,000	10,321,231
At 31 March 2021	721,231	4,000,000	4,721,231

Investment Three is an investment property purchased in February 2005 and was valued at 31 March 2022 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 £5,549,688 (2021 - £2,648,430) invested in Cazenove Charity Multi-asset fund and £5,851,990 (2021 - £2,598,861) in CF Ruffer Absolute Return Fund.

Included in net gains on investments is investment income of £206,192 (2021 - £116,433) credited to the value of the investment. The investments held are accumulation units and as such any income that would have been received is rolled up into the capital value of the investment.

### 9 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	-	1
Accruals	12,600	15,152
Donation commitments	262,000	337,541
	<b>274,600</b>	<b>352,694</b>

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2022 *(continued)*

10 Creditors: amounts falling due in more than one year	2022 £	2021 £
Donation commitments	24,000	287,000
Other creditors	50,683	50,678
	74,683	337,678

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 - £250,000, payable in one final instalment.
- Royal Conservatoire of Scotland - £36,000, payable in equal instalments over three years.

Movement in recognised provision and funding commitments during the year

	Donation commitments £
Donation commitments recognised at 1 April 2021	624,541
Donations paid during the year	(336,541)
Donations cancelled in year	(2,000)
	286,000

Amount of donation commitments recognised as at 31 March 2022

There are no performance conditions attached to these donations.

11 Expendable Endowment Funds	£
Market value of fund at beginning of year	500,000
Increase in market value in year	140,000
	640,000

### 12 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 2022 *(continued)*

### 13 Analysis of net assets between Funds

	General Fund £	Expendable Endowment Funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Investments	11,401,678	640,000	12,041,678
Current assets	3,171,660	-	3,171,660
Creditors: amounts falling due within one year	(274,600)	-	(274,600)
Creditors: amounts falling due in more than one year	(74,683)	-	(74,683)
	<b>14,224,055</b>	<b>640,000</b>	<b>14,864,055</b>

	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)
	13,778,436	500,000	14,278,436

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

	2022 £	2021 £
Net movement in funds	(108,768)	(1,068,261)
Interest income	(573)	(6,055)
Decrease in debtors	-	2,004,272
Decrease in creditors	(341,089)	(495,268)
	<b>(450,430)</b>	434,688

### 15 Related party transactions

During the year ended 31 March 2022 donated services of £13,500 (2021 - £39,000) were received from Cameron Mackintosh Limited and £nil (2021 - £73) 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 2022 *(continued)*

### 16 Statement of financial activities as at 31 March 2021

	Note	Unrestricted funds £	Endowment funds £	Total 2021 £
<b>Income and endowments from:</b>				
Donations and legacies	2	39,204	-	39,204
Investments	3	60,605	-	60,605
<b>Total income</b>		99,809	-	99,809
<b>Expenditure on:</b>				
Charitable expenditure	4	1,168,070	-	1,168,070
<b>Total expenditure</b>		1,168,070	-	1,168,070
<b>Net (expenditure) and net movement in funds before gains and losses on investments</b>		(1,068,261)	-	(1,068,261)
<b>Net gains on investments</b>		964,209	50,000	1,014,209
<b>Net (losses)/income</b>		(104,052)	50,000	(54,052)
Transfers between funds		-	-	-
<b>Net movement in funds</b>		(104,052)	50,000	(54,052)
<b>Reconciliation of funds</b>				
Total funds brought forward		13,882,488	450,000	14,332,488
<b>Total funds carried forward</b>		13,778,436	500,000	14,278,436