

# **The Mackintosh Foundation**

Report and Financial Statements

Year Ended

31 March 2023

Company No: 02239812

# The Mackintosh Foundation

Report and financial statements  
for the year ended 31 March 2023

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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>Sollcitors</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 2023

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The Trustees submit their report, together with the audited financial statements, for the year ended 31 March 2023. 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 - Founder  
N D Allott OBE - Member  
A P Constable  
A A Finch CBE  
N I M Mackintosh - Member  
R F S Noble OBE  
F R Pappas  
B G Peerless - Member  
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.

# The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

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## Structure, governance and management (continued)

During the current year the Foundation has made 93 grants, totalling £922,310 (2022 - 22 grants totalling £137,813). The significant increase in both the number of grants made in the year and the total value is largely due to the Foundation returning to its pre-pandemic levels of giving. During the year, grants were awarded across a broad spectrum of causes, but with a core focus on Theatrical training and education. New initiatives have targeted, young, disadvantaged students, who have previously not been exposed to theatre; including special educational performances and a selection of behind the scenes workshops. Both these educational programmes have been extremely successful and we are looking to expand their scope and frequency in the future. Work has also started on a "job map tool". This was initially developed on Broadway, during the COVID suspension, and the Foundation's aim is to progress and introduce a similar initiative in the UK based around theatre in the West End. The job map tool is a visual representation of the larger theatre ecosystem and all the roles, organisations and small businesses that come together to build the multimillion £ industry. By using this interactive tool, students, job seekers, employers, audience and industry members, can explore the wider theatre industry. Since the year end the Foundation has launched a regional theatre apprenticeship programme in association with thirteen venues across the UK. This programme aims to offer young people a stepping stone into the theatre industry and support the next generation of technical theatre professionals. Apprentices will begin their placements in Autumn 2023, for a period of either 18 months or 2 years depending on the discipline. Alongside funding the apprentice's salary and expenses, the Foundation is funding in-person meetings of the full cohort during the programme, as well as hosting regular online calls for the apprentices to link up with industry professionals to expose them to the industry at large.

The day-to-day administration of the Foundation's affairs is conducted by the General Secretary, in conjunction with the Appeals Director and Theatre Development Officer, in accordance with strict terms of reference laid down by the Board of Trustees, to whom they report and from whom they seek instructions 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.

## 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.

# The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2023 (*continued*)

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## Objectives and activities

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 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.

# The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

## 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	2023 (£)	2023 (%)	2022 (£)	2022 (%)
Children and Education	35,854	4	72,909	53
Community Projects	129,500	14	5,000	4
The Environment	78,000	8	-	-
The Homeless	44,500	5	-	-
Medical	50,795	6	6,700	5
	<u>338,649</u>	<u>37</u>	<u>84,609</u>	<u>62</u>
<b>Theatre and The Performing Arts</b>				
Theatre buildings	150,000	16	3,000	2
Theatre company development	10,400	1	6,000	4
Children's theatre	1,000	-	350	-
Promotion of new theatrical and musical works	5,750	1	15,000	11
Theatre related pastoral care	21,280	2	21,554	16
Theatrical training and education	395,231	43	7,300	5
	<u>583,661</u>	<u>63</u>	<u>53,204</u>	<u>38</u>
<b>Total Donations year ended 31 March 2023</b>	<u>922,310</u>	<u>100</u>	<u>137,813</u>	<u>100</u>

# The Mackintosh Foundation

## Report of the Trustees for the year ended 31 March 2023 (continued)

### Achievements and performance (continued)

Major donations paid or pledged during the year were: £150,000 The Theatres Trust, £107,500 The Stephen Sondheim Foundation, £90,000 Mercury Musical Developments.

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:

	2023 Number	2022 Number
More than £75,000	3	-
£50,000 - £75,000	3	1
£20,000 - £49,999	5	-
£10,000 - £19,999	10	3
£ 5,000 - £ 9,999	12	8
£ 1,000 - £ 4,999	45	5
Less than £1,000	15	5
	<hr/>	<hr/>
	93	22
	<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 12.

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 and that capital is invested with appropriate regard to a variety of risk factors and suitable diversification, so as to give reasonable assurance that the investment objectives are achieved.
- 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 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 2023 (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 2023 amounted to £2,201,967.

### **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 2023 (continued)

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## Statement of Trustees' responsibilities

The Trustees (who are also directors for the purposes of company law) 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.

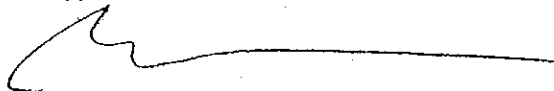
The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 5/12/2023

# 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 2023 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 2023 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:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Charitable Company and the sector in which it operates; and
- Discussion with management and those charged with governance;

we considered the significant laws and regulations to be the Companies Act 2006, the Charities Act 2011, and their associated accounting applicable accounting frameworks.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those associated with Data Protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the area most susceptible to fraud to be the posting of inappropriate journals.

Our procedures in respect of the above included:

- Testing a sample of journal entries in preparing the financial statements from the underlying accounting records, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including [state which ones and how it was assessed]; and

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## 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 (continued)*

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 12 December 2023

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 2023

	Note	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>					
Donations and legacies	2	162,291	-	162,291	13,678
Investments	3	444,514	-	444,514	56,881
<b>Total income</b>		<b>606,805</b>	-	<b>606,805</b>	<b>70,559</b>
<b>Expenditure on:</b>					
Charitable activities	4	1,007,485	-	1,007,485	179,327
<b>Total expenditure</b>		<b>1,007,485</b>	-	<b>1,007,485</b>	<b>179,327</b>
<b>Net expenditure and net movement in funds before (losses)/gains on investments</b>		<b>(400,680)</b>	-	<b>(400,680)</b>	<b>(108,768)</b>
Net (losses)/gains on investments	8	(558,456)	-	(558,456)	694,387
<b>Net (expenditure)/income</b>		<b>(959,136)</b>	-	<b>(959,136)</b>	<b>585,619</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		14,224,055	640,000	14,864,055	14,278,436
<b>Total funds carried forward</b>		<b>13,264,919</b>	<b>640,000</b>	<b>13,904,919</b>	<b>14,864,055</b>

All amounts relate to continuing activities.

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


The notes on pages 15 to 24 form part of these financial statements.

# The Mackintosh Foundation

Balance sheet at 31 March 2023

Company number 2239812	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Investments	8		11,859,952		12,041,678
<b>Current assets</b>					
Cash at bank and in hand		2,472,373		3,171,660	
		<u>2,472,373</u>		<u>3,171,660</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	270,406		274,600	
		<u>270,406</u>		<u>274,600</u>	
<b>Net current assets</b>			<u>2,201,967</u>		<u>2,897,060</u>
<b>Total assets less current liabilities</b>			<u>14,061,919</u>		<u>14,938,738</u>
Creditors: amounts falling due after more than one year	10		157,000		74,683
			<u>157,000</u>		<u>74,683</u>
<b>Total net assets</b>			<u>13,904,919</u>		<u>14,864,055</u>
<b>The funds of the charity</b>					
Expendable endowment funds	11		640,000		640,000
General fund			13,264,919		14,224,055
			<u>13,264,919</u>		<u>14,224,055</u>
<b>Total charity funds</b>	13		<u>13,904,919</u>		<u>14,864,055</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5/12/2023.

  
**Nicholas Allott OBE**  
 Trustee

  
**Alan Finch CBE**  
 Trustee

The notes on pages 15 to 24 form part of these financial statements.

## The Mackintosh Foundation

### Statement of cash flows for the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash (used in) operating activities</b>	14	<b>(767,071)</b>	<b>(450,430)</b>
<b>Cash flows from investing activities</b>			
Investment income		67,784	573
Purchase of investments		-	(5,600,000)
<b>Cash provided by/(used in) investing activities</b>		<b>67,784</b>	<b>(5,599,427)</b>
<b>(Decrease) in cash in the year</b>		<b>(699,287)</b>	<b>(6,049,857)</b>
<b>Cash at the beginning of the year</b>		<b>3,171,660</b>	<b>9,221,517</b>
<b>Total cash at the end of the year</b>		<b>2,472,373</b>	<b>3,171,660</b>

The organisation does not have any debt and hence a reconciliation of net debt has not been provided.

The notes on pages 15 to 24 form part of these financial statements.

# The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2023

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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 are recognised 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 2023 (*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.

Investment gains and losses arising during the year are included in the Statement of Financial Activities.

### *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.

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 2023 (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.

### *Investment property*

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields. No depreciation is provided. Changes in fair value are recognised in the statement of financial activities

### *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

	2023 £	2022 £
Donations	104,283	-
Donated services and facilities	58,000	13,500
Other	8	178
	<u>162,291</u>	<u>13,678</u>

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

3 Investment income	2023 £	2022 £
Bank interest	11,476	573
Amounts received from UK investment property	56,308	56,308
Income from investments (note 8)	376,730	-
	444,514	56,881

4 Charitable expenditure	2023 £	2022 £
<b>Analysis of expenditure on charitable activities</b>		
Donations to institutions	922,310	137,813
Support and governance costs (note 5)	85,175	41,514
	1,007,485	179,327

The number of donations during the year awarded to institutions was 93 (2022 – 22). No donations were awarded to individuals (2022 – nil).

Donations by type of activity	2023 £	2022 £
Children and Education	35,854	72,909
Community Projects	129,500	5,000
The Environment	78,000	-
The Homeless	44,500	-
Medical	50,795	6,700
Theatre and the Performing Arts	583,661	53,204
	922,310	137,813

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2023 *(continued)*

### 4 Charitable expenditure *(continued)*

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

Donation recipient	2023 £
Theatres Trust, The	150,000
Stephen Sondheim Foundation, The	107,500
Mercury Musical Developments	90,000
Majjstral Park (Heritage Parks Federation)	75,000
Royal Welsh Collège of Music and Drama	60,000
DEC (Disasters Emergency Committee)	50,000
Kiln Theatre	28,345
Felix Project, The	25,000
Trussell Trust, The	25,000
British Youth Music Theatre	22,000
St Mungo Association Charitable Trust	20,000
Royal Academy of Music	16,350
MGCfutures Ltd	15,000
Royal Central School of Speech & Drama	15,000
BRIT School, The	12,000
Hamilton Education Programme	10,754
Acting for Others	10,520
Centrepoint Soho	10,000
Pimlico Opera	10,000
Regent's Park Theatre Ltd	10,000
Wilderness Foundation UK	10,000
Prior Park Educational Trust	9,000
Musicians' Union Benevolent Fund	5,260
NHS Charities Together	5,260
	791,989
Grants of £5,000 or less	130,321
	922,310

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.

# The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

5 Support and governance costs	2023 £	2022 £
Legal and administration fees	10,720	15,391
Auditor's remuneration – audit services	16,200	12,600
Other costs	255	23
Donated services and facilities	58,000	13,500
	<u>85,175</u>	<u>41,514</u>

No Trustee received any remuneration or reimbursement of expenses during the year (2022 - 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 £58,000 (2022 - £13,500) donated services and facilities figure.

Allocation of support and governance costs	2023 £	2022 £
Children and education	3,311	21,963
Community projects	11,959	1,506
The Environment	7,203	
The homeless	4,110	-
Medical	4,691	2,018
Theatre and the performing arts	53,901	16,027
	<u>85,175</u>	<u>41,514</u>

## 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 2023 *(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 2022	640,000	11,401,678	12,041,678
Investment income credited in year	-	376,730	376,730
Decrease in market value in year	-	(558,456)	(558,456)
	640,000	11,219,952	11,859,952
 <i>Cost</i>			
At 31 March 2023	721,231	9,976,730	10,697,961
	721,231	9,600,000	10,321,231
At 31 March 2022	721,231	9,600,000	10,321,231

Investment Three is an investment property purchased in February 2005 and was subject to a valuation in the previous year by an independent qualified valuer in accordance with the RICS Appraisal and Valuation Standard. The Trustees have reviewed the valuation and conclude there is no material difference.

Investment number Five includes £5,311,507 (2022 - £5,549,688) invested in Cazenove Charity Multi-asset fund and £5,908,445 (2022 - £5,851,990) in CF Ruffer Absolute Return Fund.

Included in the market value of investments is investment income of £376,730 (2022 - £206,192) 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

	2023 £	2022 £
Accruals	15,000	12,600
Donation commitments	204,500	262,000
Other creditors	50,906	-
	270,406	274,600

## The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2023 *(continued)*

10 Creditors: amounts falling due in more than one year	2023 £	2022 £
Donation commitments	157,000	24,000
Other creditors	-	50,683
	157,000	74,683

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

- Royal Conservatoire of Scotland - £24,000, payable in equal instalments over two years.
- The Theatres Trust - £120,000, payable in equal instalments over four years
- Mercury Musical Development - £60,000, payable in equal instalments over two years
- MGCfutures - £10,000, payable in equal instalments over two years
- Royal Welsh College of Music and Drama - £40,000, payable in equal instalments over two years
- The Stephen Sondheim Foundation - £107,500 payable in one instalment

Movement in recognised provision and funding commitments during the year

	Donation commitments £
Donation commitments recognised at 1 April 2022	286,000
Donations paid during the year	(347,000)
New donation commitments in year	422,500
	361,500
Amount of donation commitments recognised as at 31 March 2023	361,500

There are no performance conditions attached to these donations.

11 Expendable Endowment Funds	£
Market value of fund at beginning of year	640,000
Increase in market value in year	-
	640,000
Market value of fund at end of year	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 2023 (continued)

### 13 Analysis of net assets between Funds

	General Fund £	Expendable Endowment Funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Investments	11,219,952	640,000	11,859,952
Current assets	2,472,373	-	2,472,373
Creditors: amounts falling due within one year	(270,406)	-	(270,406)
Creditors: amounts falling due in more than one year	(157,000)	-	(157,000)
	<b>13,264,919</b>	<b>640,000</b>	<b>13,904,919</b>
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>

### 14 Reconciliation of net movements in funds before losses on investments to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds	(400,680)	(108,768)
Investment income	(444,514)	(573)
Increase/(decrease) in creditors	78,123	(341,089)
	<b>(767,071)</b>	<b>(450,430)</b>
Net cash used in operating activities		

### 15 Related party transactions

During the year ended 31 March 2023 donated services of £58,000 (2022 - £13,500) were received from 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 2023 *(continued)*

### 16 Statement of financial activities as at 31 March 2022

	Note	Unrestricted funds £	Endowment funds £	Total 2022 £
<b>Income and endowments from:</b>				
Donations and legacies	2	13,678	-	13,678
Investments	3	56,881	-	56,881
<b>Total income</b>		70,559	-	70,559
<b>Expenditure on:</b>				
Charitable expenditure	4	179,327	-	179,327
<b>Total expenditure</b>		179,327	-	179,327
<b>Net (expenditure) and net movement in funds before gains and losses on investments</b>		(108,768)	-	(108,768)
<b>Net gains on investments</b>		554,387	140,000	694,387
<b>Net income</b>		445,619	140,000	585,619
Transfers between funds		-	-	-
<b>Net movement in funds</b>		445,619	140,000	585,619
<b>Reconciliation of funds</b>				
Total funds brought forward		13,778,436	500,000	14,278,436
<b>Total funds carried forward</b>		14,224,055	640,000	14,864,055