

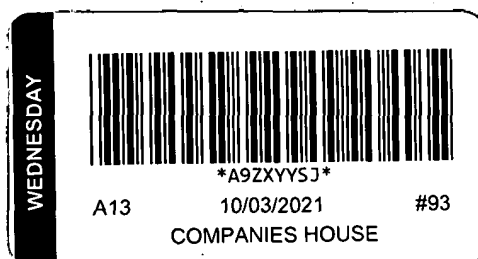
The Mackintosh Foundation

Report and Financial Statements

Year Ended

31 March 2020

Company No: 02239812



The Mackintosh Foundation

Report and financial statements for the year ended 31 March 2020

Contents

Reference and administrative details

Page:

1	Report of the Trustees
7	Report of the independent auditors
10	Statement of financial activities
11	Income and expenditure account
12	Balance sheet
13	Statement of cash flows
14	Notes forming part of the financial statements

Reference and administrative details

Trustees/Directors	Sir Cameron Mackintosh N D Allott OBE A P Constable A A Finch CBE N I M Mackintosh R F S Noble F R Pappas B G Peerless T T E Schönberg
General Secretary	R T Knibb, ACA
Company Secretary	R T Knibb, ACA
Registered Office	1-2 Bedford Square, London, WC1B 3RB
Company Number	02239812
Charity Registration Number	327751
Auditor	BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
Solicitors	Charles Russell Speechlys LLP, 5 Fleet Place, London, EC4M 7RD
Bankers	National Westminster Bank plc, Covent Garden Branch, London, WC2E 8NN
Investment Advisor	A J Hutton Limited, Third Floor, 20 Old Bailey, London, EC4M 7AN

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2020

The Trustees submit their report, together with the audited financial statements, for the year ended 31 March 2020. The financial statements comply with current statutory requirements and with the requirements of the charity's governing document. The reference and administration details shown on the preceding page, form part of this report.

Structure, governance and management

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

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

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

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

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

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

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

The Trustees meet in plenary session once a year, when, among other things, they review and discuss the then current financial state and overall strategy of the Foundation and implementation of past decisions. Due to Coronavirus COVID-19 restrictions, the Trustees did not meet during 2020, nevertheless they have been in regular contact regarding the affairs of the Foundation. This includes consideration of grant-making activities (both past and present), the current state of the Foundation's reserves and cash flow requirements, its investment policy and performance. Larger grants, and some smaller ones which have been set aside for that purpose, are considered by the Trustees at these meetings. However, some of the smaller grants are decided by a subcommittee of two Trustees who meet at weekly intervals, and report back through the General Secretary on what grants they have made, to the full board at the next full board meeting.

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 2020 (continued)

Risk policy

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

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

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

Objectives and activities for the public benefit

The Objects of the Foundation are:

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

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

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2020 (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 grants 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 grants 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 grant 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 grants by category.

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

Total Grants during the year ended 31 March 2020

Category	(£)	(%)
Children and Education	163,922	10
Community Projects	121,429	7
The Environment	11,500	1
The Homeless	11,000	1
Medical		
Medical - General	82,524	5
Medical - AIDS/HIV	5,920	0
Medical - Cancer	26,750	2
	115,194	7
Theatre and The Performing Arts		
Theatre buildings	1,050,000	62
Theatre company development	14,616	1
Children's theatre	10,680	1
Promotion of new theatrical and musical works	44,035	3
Theatre related pastoral care	24,408	1
Theatrical training and education	112,589	7
	1,256,328	75
Exchange movement	10,359	-
Total Donations year ended 31 March 2020	1,689,732	100

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2020 (continued)

Achievements and performance (continued)

Major donations paid or pledged during the year were: £1,000,000 Mountview Academy of Theatre Arts Ltd; £60,000 Children In Need; £53,669 New South Wales Rural Fire Service (Australia); £50,000 Mustardseed Arts and Educational Trust; and £50,000 National Youth Arts Trust.

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:

	2020 Number	2019 Number
More than £75,000	1	-
£50,000 - £75,000	4	3
£20,000 - £49,999	2	4
£10,000 - £19,999	10	5
£ 5,000 - £ 9,999	17	18
£ 1,000 - £ 4,999	106	83
Less than £1,000	28	43
	<hr/>	<hr/>
	168	156
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A list of donations greater and equal to £5,000 is shown in note 4 of the accounts.

The Foundation has a computerised database for its grants register which facilitates the analysis and fast retrieval of information in relation to its grant 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 2020 (continued)

Investment performance review

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

Going concern

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

The Foundation have very little overheads or liabilities, current liabilities and grant commitments can be serviced through the current cash available.

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

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

Reserves policy

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

The balance held as unrestricted reserves at 31 March 2020 is £13,882,488, of which £9,599,406 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets and long term funding commitments. The free reserves exceed three months anticipated expenditure.

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 is not currently subject to any fundraising activities.

The Mackintosh Foundation

Report of the Trustees for the year ended 31 March 2020 (continued)

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the principles in the charity SORP;
- 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, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Approved by the Trustees on
and signed on their behalf by



Nicholas Allott OBE
Trustee

Date 04/03/2021

The Mackintosh Foundation

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

Opinion

We have audited the financial statements of The Mackintosh Foundation ("the Charitable Company") for the year ended 31 March 2020 which comprise the statement of financial activities, 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).

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 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Mackintosh Foundation

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

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: Reference and administrative details and the Report of the Trustees. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 are included in the Report of the Trustees, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 requirements to prepare a strategic report.

The Mackintosh Foundation

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

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.

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.

BDO LLP

David I'Anson Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

Date 8 March 2021

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

The Mackintosh Foundation

Statement of financial activities for the year ended 31 March 2020

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and legacies	2	10,084,187	-	10,084,187	1,138,401
Investments	3	48,716	-	48,716	44,982
Total income		10,132,903	-	10,132,903	1,183,383
Expenditure on:					
Charitable expenditure	4	1,754,899	-	1,754,899	755,156
Total expenditure		1,754,899	-	1,754,899	755,156
Net income and net movement in funds before gains and losses on investments		8,378,004	-	8,378,004	428,227
Net (losses)/gains on investments		(114,226)	-	(114,226)	12,864
Net income		8,263,778	-	8,263,778	441,091
Transfers between funds		-	-	-	-
Net movement in funds		8,263,778	-	8,263,778	441,091
Reconciliation of funds					
Total funds brought forward		5,618,710	450,000	6,068,710	5,627,619
Total funds carried forward		13,882,488	450,000	14,332,488	6,068,710

All amounts relate to continuing activities.

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

The notes on pages 14 to 23 form part of these financial statements.

The Mackintosh Foundation

Income and expenditure account for the year ended 31 March 2020

	Note	2020 £	2019 £
Income			
Voluntary income	2	10,084,187	1,138,401
Gain on investments		-	12,864
Investment income	3	48,716	44,982
		<u>10,132,903</u>	<u>1,196,247</u>
Expenditure			
Charitable expenditure	4	1,754,899	755,156
Loss on investments		114,226	-
		<u>1,869,125</u>	<u>755,156</u>
Operating surplus for the year		<u>8,263,778</u>	<u>441,091</u>

The notes on pages 14 to 23 form part of these financial statements.

The Mackintosh Foundation

Balance sheet at 31 March 2020

Company number 02239812	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	8		4,733,082		4,847,308
Current assets					
Debtors	9	2,004,272		212,819	
Cash at bank		8,780,774		1,695,954	
		10,785,046		1,908,773	
Liabilities					
Creditors: amounts falling due within one year	10	583,267		321,166	
Net current assets			10,201,779		1,587,607
Total assets less current liabilities			14,934,861		6,434,915
Creditors: amounts falling due after more than one year	11		602,373		366,205
Net assets			14,332,488		6,068,710
The funds of the charity					
Expendable endowment funds	12		450,000		450,000
Unrestricted income funds			13,882,488		5,618,710
Total unrestricted funds			13,882,488		5,618,710
Total charity funds	14		14,332,488		6,068,710

The financial statements were approved by the Board of Trustees and authorised for issue on 04/03/2021



Nicholas Allott OBE
Trustee



Alan Finch CBE
Trustee

The notes on pages 14 to 23 form part of these financial statements.

The Mackintosh Foundation

Statement of cash flows for the year ended 31 March 2020

	Note	2020 £	2019 £
Cash generated by operating activities	15	7,078,838	190,541
Cash flows from Investing activities			
Interest income		5,982	2,248
Purchase of investment		-	(1,200,000)
Cash generated by/(used in) investing activities		5,982	(1,197,752)
Increase/(decrease) in cash and cash equivalents in the year		7,084,820	(1,007,211)
Cash and cash equivalents at the beginning of the year		1,695,954	2,703,165
Total cash and cash equivalents at the end of the year		8,780,774	1,695,954

The company has no debt in either period and hence a reconciliation of net debt has not been prepared.

The notes on pages 14 to 23 form part of these financial statements.

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020

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 are disclosed on the contents page.

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

The following principal accounting policies have been applied:

Going Concern

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

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

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

Income recognition

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

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

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

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

1 Accounting policies (continued)

Income recognition (continued)

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

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

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

Interest receivable

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

Expenditure recognition

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

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

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

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

The provision for a multi-year grant 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 grant 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 2020 (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 grant awards made in recognition that the administrative costs of awarding, monitoring and assessing grants 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

	2020 £	2019 £
Donations	10,045,000	1,100,000
Donated services and facilities	39,000	38,000
Other	187	202
Legacies income	-	199
	<hr/>	<hr/>
	10,084,187	1,138,401
	<hr/>	<hr/>

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

3 Investment income	2020 £	2019 £
Bank interest	5,982	2,248
Amounts received from UK investment property	42,734	42,734
	<u>48,716</u>	<u>44,982</u>

4 Charitable expenditure	2020 £	2019 £
Analysis of expenditure on charitable activities		
Grants to individuals	4,000	5,650
Grants to institutions	1,675,373	635,166
Exchange difference on foreign currency donations	10,359	30,012
Support and governance costs (note 5)	65,167	84,328
	<u>1,754,899</u>	<u>755,156</u>

During the year grants were awarded to 2 individuals (2019 - 6) and to 166 institutions (2019 - 156).

	2020 £	2019 £
Grants by type of activity		
Children and Education	163,922	287,999
Community Projects	121,429	61,180
The Environment	11,500	13,700
The Homeless	11,000	19,965
Medical	115,194	62,420
Theatre and the Performing Arts	1,256,328	195,552
Exchange difference on foreign currency amounts	10,359	30,012
	<u>1,689,732</u>	<u>670,828</u>

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

4 Charitable expenditure (continued)

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

	2020 £
Grant recipients	
Mountview Academy of Theatre Arts Ltd	1,000,000
Children in Need	60,000
New South Wales Rural Fire Service	53,669
Mustardseed Arts and Education Trust, The	50,000
National Youth Arts Trust	50,000
Leeds Theatre Trust (formerly West Yorkshire Playhouse)	25,000
Wilton's Music Hall Trust	25,000
Royal Academy of Music	15,600
Knoydart Community Hall & Events	15,000
Royal Theatrical Fund, The	15,000
TIF (Theatre Investment Fund Limited)	15,000
Horatio's Garden	11,970
Regent's Park Theatre Ltd	10,616
Hamilton Education Programme	10,367
Bristol Old Vic Theatre	10,000
Pimlico Opera	10,000
Sexey's Hospital	10,000
Educational Theatre Foundation	9,394
Motivation Charitable Trust	7,500
Royal Marsden Cancer Campaign, The	7,500
Royal National Lifeboat Institution	7,500
Newcastle University Institute of Neuroscience	6,000
Nordoff-Robbins Music Therapy Centre	5,500
Action on Addiction	5,000
Breast Cancer Now	5,000
DEC (Disasters Emergency Committee)	5,000
International Spinal Research Trust	5,000
Legs 4 Africa	5,000
National Student Drama Festival Ltd, The	5,000
NSPCC (Incorporating ChildLine)	5,000
Sanergy	5,000
Shakespeare Schools Foundation	5,000
University of Southampton – Centre for Cancer Immunology	5,000
WaterAid	5,000
Total of other donations individually less than £5,000	193,757
Exchange movements on foreign currency donations	10,359
Total	1,689,732

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 2020 (*continued*)

5 Support and governance costs

	2020 £	2019 £
Legal and administration fees	12,842	33,957
Auditor's remuneration – audit services	13,080	12,000
Other costs	245	371
Donated services and facilities	39,000	38,000
	<u>65,167</u>	<u>84,328</u>

No Trustee received any remuneration or reimbursement of expenses during the year. All the above figures include irrecoverable VAT where applicable.

The charity has no employees. Cameron Mackintosh Limited provides staff and facilities to undertake the day to day management of the charity. These costs are included in the £39,000 (2019 - £38,000) donated services and facilities figure.

Allocation of support and governance costs

	2020 £	2019 £
Children and education	6,322	36,203
Community projects	4,683	7,691
The environment	443	1,722
The homeless	424	2,510
Medical	4,443	7,847
Theatre and the performing arts	48,852	28,355
	<u>65,167</u>	<u>84,328</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 2020 (*continued*)

8 Investments

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

	Number Three £	Number Five £	Total £
<i>Market value</i>			
At 1 April 2019	450,000	4,397,308	4,847,308
(Decrease) in market value in year	-	(114,226)	(114,226)
At 31 March 2020	450,000	4,283,082	4,733,082
<i>Cost</i>			
At 31 March 2020	721,231	4,000,000	4,721,231
At 31 March 2019	721,231	4,000,000	4,721,231

Investment three is an investment property purchased in February 2005 and was valued at 31 March 2020 at fair value, determined by an independent qualified valuer. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

Investment number five includes £2,122,028 invested in Cazenove Charity Multi-asset fund and £2,161,054 in CF Ruffer Absolute Return Fund.

9 Debtors

	2020 £	2019 £
Accrued income	4,272	212,819
Gift aid receivable	2,000,000	-
	2,004,272	212,819

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	2	3
Accruals	12,673	14,701
Grant commitments	570,592	306,462
	<u>583,267</u>	<u>321,166</u>

11 Creditors: amounts falling due in more than one year

	2020 £	2019 £
Grant commitments	<u>602,373</u>	<u>366,205</u>

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

- The Actors Fund for the Lillian Booth Actors Home - \$200,000 payable in one final instalment.
- Mountview Academy of Theatre Arts - £750,000, payable in equal instalments over three years.
- Royal Conservatoire of Scotland - £60,000, payable in equal instalments over five years.
- Royal Academy of Dramatic Art - £40,000 payable in equal instalments over two years.

Movement in recognised provision and funding commitments during the year:

	Grant commitments £
Grant commitments recognised at 1 April 2019	672,667
New grant commitments charged to the SOFA in year	1,679,373
Grants paid during the year	(1,189,434)
Exchange movements	10,359
	<u>1,172,965</u>
Amount of grant commitments recognised as at 31 March 2020	

There are no performance conditions attached to these grants.

Post year end the Foundation agreed to make the following significant grants:

	£
Theatre Development Trust Ltd (re Theatre Artists Fund)	125,875
Acting for Others	176,487
The Musicians Union Coronavirus Benefit Fund	88,244
NHS Charities Together	82,244

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020. (continued)

12 Expendable Endowment Funds

£

Market value of fund at beginning and end of year

450,000

13 Foundation Funds

The Foundation funds comprise:

- A General Fund which it uses for its grant making activities and running expenses, the movements on this investment fund are disclosed on the face of Statement of Financial Activities.
- An Expendable Endowment Fund, the capital of which until 14 November 2011 was not available for distribution, is invested to provide income and capital growth for the General Fund.

On 15 November 2011 the Trustees passed resolutions whereby the funds held on the trusts of endowment numbers 1, 2, 3 and 4 be freed from the restrictions with respect to the expenditure of capital that apply to them. A copy of the resolutions was sent to the Charity Commission who confirmed their approval of the said resolutions.

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

The Foundation does not hold any designated funds.

A copy of the governing documents as to the nature and origin of each endowment fund has been filed with the Charity Commission.

14 Analysis of net assets between Funds

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

The Mackintosh Foundation

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

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

	2020 £	2019 £
Net movement in funds	8,372,022	425,979
(Increase) in debtors	(1,791,453)	(191,453)
Increase/(decrease) in creditors	498,269	(43,985)
Net cash generated by operating activities	7,078,838	190,541

16 Related party transactions

During the year ended 31 March 2020 donated services of £39,000 (2019 - £38,000) were received from Cameron Mackintosh Limited and £1,652 (2019 - £1,223) 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 2020 (continued)

17 Statement of financial activities as at 31 March 2019

	Note	Unrestricted funds £	Endowment funds £	Total 2019 £
Income and endowments from:				
Donations and legacies	2	1,138,401	-	1,138,401
Investments	3	44,982	-	44,982
Total income		1,183,383	-	1,183,383
Expenditure on:				
Charitable expenditure	4	755,156	-	755,156
Total expenditure		755,156	-	755,156
Net income and net movement in funds before gains and losses on investments		428,227	-	428,227
Net gains on investments		12,864	-	12,864
Net income		441,091	-	441,091
Transfers between funds		-	-	-
Net movement in funds		441,091	-	441,091
Reconciliation of funds				
Total funds brought forward		5,177,619	450,000	5,627,619
Total funds carried forward		5,618,710	450,000	6,068,710