

# THE DAVID LEAN FOUNDATION

England & Wales · Charity number 1067074

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 1997-12-23

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 41A Eastgate Street  
Stafford  
ST16 2LZ

**Phone** 01785 503010

**Email** [dlf@sorbus.com](mailto:dlf@sorbus.com)

## Activities

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**Objects:** 1) TO PROMOTE AND ADVANCE EDUCATION AND TO CULTIVATE AND IMPROVE PUBLIC TASTE IN THE VISUAL ARTS IN PARTICULAR BY STIMULATING ORIGINAL AND CREATIVE WORK IN THE UNITED KINGDOM IN THE FIELD OF FILM PRODUCTION ( IN PARTICULAR INCLUDING SCREENPLAY WRITING AND FILM PRODUCTION AND FILM EDITING) AND BY ENCOURAGING A HIGH STANDARD OF ART AND TECHNIQUE IN PERSONS ENGAGED IN SUCH FILM PRODUCTION AND BY ENCOURAGING AND PROMOTING THE IMPROVEMENT OF THE STANDARD OF THE ARTS SCIENCES AND TECHNIQUES OF FILM PRODUCTION. 2) TO BENEFIT SUCH CHARITABLE INSTITUTION OR INSTITUTIONS OR OTHER CHARITABLE OBJECT OR OBJECTS IN ANY PART OF THE WORLD AS THE TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION THINK FIT TO SUPPORT OR ESTABLISH

**Activities:** The Charity's activities to achieve its objects include making awards (1) to other charities whose aims include similar aims (2) for Film student scholarships

## Classification

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- **How:** Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies

## Geography

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- **Area of benefit:** UNITED KINGDOM
- Throughout England

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£201,858	£270,561	-	-
2023-12-31	£166,617	£229,913	-	-
2022-12-31	£222,594	£97,911	-	-
2021-12-31	£250,956	£195,727	-	-
2020-12-31	£183,814	£149,969	-	-

## Trustees

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Name	Role	Appointed
JONATHAN PAUL MOULTON		2022-10-11
Sally Ruth Beard		2014-10-22
Sophie Turner Laing		2025-11-04

**THE DAVID LEAN FOUNDATION**

England & Wales - Charity number 1067074

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# Accounts

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# THE DAVID LEAN FOUNDATION

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TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS  
31 December 2024

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# THE DAVID LEAN FOUNDATION

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# THE DAVID LEAN FOUNDATION

## Report of the Trustees

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<b>Legal Entity</b>	The David Lean Foundation
<b>Governing Instrument</b>	Deed of Trust dated 19 November 1997
<b>Trustees</b>	Sally Ruth Beard Jonathan Paul Moulton Max Thowless-Reeves Anthony Alan Reeves
<b>Independent Examiner</b>	RSM UK Tax and Accounting Limited Chartered Accountants Davidson House Forbury Square Reading RG1 3EU
<b>Bankers</b>	Handelsbanken plc 1 Lakeside, Festival Park Stoke-on-Trent
<b>Investment Managers</b>	Sorbus Partners 41a Eastgate Street Stafford
<b>Legal Advisers</b>	Freeths LLP 80 Cumberland Place, Mount Street Nottingham
<b>Registered Office</b>	41a Eastgate Street Stafford Staffordshire
<b>Charity Number</b>	1067074
<b>HMRC Reference Number</b>	EW70618

# THE DAVID LEAN FOUNDATION

## Report of the Trustees

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### Trustees

The trustees have responsibility for the management of the Foundation. There is no minimum or maximum number of trustees prescribed by the trust deed. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The trustees are responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative process, and the history and philosophical approach of the charity. During the year, the Foundation had four trustees. An original trustee, AA Reeves was appointed on 19 November 1997, SR Beard was appointed on 23 October 2014, MW Thowless-Reeves on 21 August 2017 and JP Moulton on 11 October 2022. AA Reeves resigned as a trustee of the Foundation on 11 July 2024. MW Thowless-Reeves resigned on 1 September 2025.

All decisions of the Foundation are taken by all of the trustees. The trustees review on a regular basis, gift aid income, available funds, and current and pending commitments and grants that in principle fall within the grant policy.

### David Lean Films

The income of the Foundation largely depends upon the gift aid distribution from its trading subsidiary David Lean Films Limited which derives its income from royalties received from Sir David Lean's Films. The trustees are the only directors of the subsidiary.

### Objectives and Activities

The objectives of the foundation are:

- To promote and advance education and to cultivate and improve public taste in the visual arts in particular by stimulating original and creative work in the field of film production in particular including screenplay writing and film direction and film editing by encouraging a high standard of art and technique in persons engaged in such film. production and by encouraging and promoting the improvement of the standard of the arts, sciences and techniques of fiction film making.
- To benefit such charitable institutions or other charitable object or objects as the Trustees shall in their absolute discretion think fit to support or establish.

In pursuance of the objectives the trustees have powers

- To further the preservation and public exhibition of films including those films directed by Sir David Lean.
- To encourage and sponsor education publications and promote exhibitions and lectures generally to disseminate knowledge of the art and technique of film making by means of the reading of papers, delivery of lectures, and giving advice or otherwise.
- To cooperate with educational establishments and other charities to procure the better appreciation and understanding of films and the arts.

### Aims

The Foundation's grants are awarded to other charitable institutions whose aims include those similar to those of the Foundation principally the National Film and Television School, the British Film Institute and the British Academy of Film and Television Arts.

The Foundation aims to achieve its objectives by both making grants and encouraging recipient organisations to improve their governance and performance. Recipients of grants from the Foundation are required, as a pre-condition of receiving the grant, to provide a report as to the use of the grant and the results.

# THE DAVID LEAN FOUNDATION

## Report of the Trustees

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The grant policy is not to make individual scholarships or other grants not related to the objectives of the Foundation.

### Achievements

During 2024 David Lean Films Ltd received royalties of £187,742 (2023: £154,868) from the films of David Lean. The total outstanding commitments at the balance sheet date were £30,000 (2023:£nil). Since establishment the Foundation has made grants of £6,075,074 towards its objectives.

### Future Plans

The trustees intend to continue expending the charity's incoming resources by making grants as reported under "Aims" above.

### Public Benefit

The trustees comply with the duty in the Charities Act 2011.

### Risks

The Foundation's principal current and future source of unrestricted income is gift aid from the distributable profits of its trading subsidiary's royalties from the films directed by Sir David Lean. The royalties are uncertain in amount and duration and depend upon the promotion of such films in all media.

The policy identifies the major risk to which the Foundation as being its ability to reliably collect, in full, the royalties owed to it. Additional risks captured are: the reduction of royalty income, trustee succession, failure of technology, premises and archives destruction. These risks have been reviewed and systems and procedures have been established to manage them and where necessary insurance is in place.

### Financial Review

During the year the Foundation did not receive a gift aid payment from its subsidiary. The previous year it received £64,109.

At the balance sheet date the Foundation (charity only) had total unrestricted net funds of £445,567 (2023: £586,807) represented by £27,835 cash (2023: £172,974), creditors of £55,445 (2023: £4,662) and debtors of £nil (2023: £4,212). The Foundation has investments of £473,177,512 (2023: £414,283) including an investment in its subsidiary David Lean Films Limited of £50,000 (2023: £50,000).

On consolidation at the balance sheet date, the Foundation and David Lean Films Limited (the group) had total net funds of £850,731 (2023: £878,699) represented by £534,497 of fixed assets (2023: £487,842), £353,835 of cash (2023: £387,764) less accruals of £66,717 (2023: £10,462) and debtors of £29,117 (2023: £13,554).

### Reserves Policy

The reserves policy is that the unrestricted income reserves of the charity should represent six months investment income. At the year end this would require a minimum income reserve of £2,481 (2023:£35,000). The unrestricted reserves of the charity are £9,631 (2023:£239,149).

### Post year end event

Subsequent to the balance sheet date, additional film rights have been gifted to the Foundation. These rights have not yet been valued for accounting purposes. Cash funds to the value of £3.71m have also been donated post year end.

# THE DAVID LEAN FOUNDATION

## Trustees' Responsibilities in the Preparation of Financial Statements

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### Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

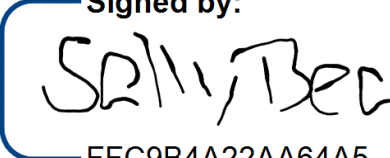
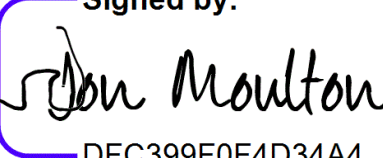
The law applicable to charities in England requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the requirements of the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 27 October 2025 and signed by:

<b>Signed by:</b>	<b>Signed by:</b>
	
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S R Beard	J P Moulton
Trustee	Trustee

# THE DAVID LEAN FOUNDATION

## Independent Examiner's Report To the Trustees

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I report to the trustees on my examination of the accounts of The David Lean Foundation ('the group') for the year ended 31 December 2024 which are set out on pages 7 to 25.

### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act'). I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act. An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

### **Independent examiner's report**

I have completed my examination. I confirm that no material matters have come to my attention in the connection

with the examination giving me reasonable cause to believe that in any material respect:

- (i) accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- (ii) the accounts do not accord with those records; or
- (iii) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Kerry Gallagher*

Kerry Gallagher FCA DChA  
(The Institute of Chartered Accountants in England and Wales)  
On behalf of RSM UK Tax and Accounting Limited  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading  
Berkshire  
RG1 3EU

Dated: 29/10/25 .....

**THE DAVID LEAN FOUNDATION**  
**CONSOLIDATED** Statement of Financial Activities  
For the year ended 31 December 2024

	Note	Unrestricted Funds £	Endowment Funds £	2024 Total Funds £	2023 Total Funds £
<b>Income</b>					
Royalties receivable		187,742	-	187,742	154,868
Investment income	I	9,154	4,962	14,116	11,749
<b>TOTAL INCOME</b>		<b>196,896</b>	<b>4,962</b>	<b>201,858</b>	<b>166,617</b>
<b>Expenditure on:</b>					
Raising funds	2b.	83,623	-	83,623	62,575
Charitable activities	2b.	183,341	3,597	186,938	167,338
<b>Total Expenditure</b>		<b>266,964</b>	<b>3,597</b>	<b>270,561</b>	<b>229,913</b>
Net gains on investments	4a.	-	40,735	40,735	17,596
Net income		(70,068)	42,100	(27,968)	(45,700)
Transfer between funds		4,397	(4,397)	-	-
<b>Net movement in funds</b>		<b>(65,671)</b>	<b>37,703</b>	<b>(27,968)</b>	<b>(45,700)</b>
<b>Reconciliation of funds</b>					
Fund balances 1 January		480,466	398,233	878,699	924,399
<b>Fund balances 31 December</b>		<b>414,795</b>	<b>435,936</b>	<b>850,731</b>	<b>878,699</b>

# THE DAVID LEAN FOUNDATION

## Statement of Financial Activities

For the year ended 31 December 2024

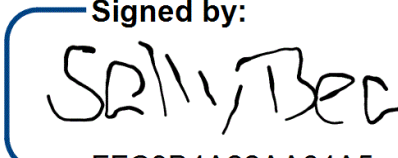
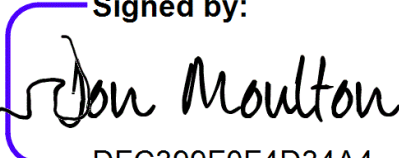
	Note	Unrestricted Funds £	Endowment Funds £	2024 Total Funds £	2023 Total Funds £ (as restated)
<b>Income</b>					
Gift aid donations	1b	-	-	-	64,109
Investment income		-	4,962	4,962	5,820
<b>Total income</b>		-	4,962	4,962	69,929
<b>Expenditure on:</b>					
Charitable activities	2	183,340	3,597	186,937	167,337
<b>Total expenditure</b>		183,340	3,597	186,937	167,337
Net gains on investments		-	40,735	40,735	17,596
Net income		(183,340)	42,100	(141,240)	(79,812)
Transfer between funds		4,397	(4,397)	-	-
<b>Net movement in funds</b>		(178,943)	37,703	(141,240)	(79,812)
<b>Reconciliation of funds</b>					
Fund balances 1 January		188,574	398,233	586,807	666,619
<b>Fund balances 31 December</b>		9,631	435,936	445,567	586,807

The incoming resources and resources expended derive from continuing operations. All gains and losses are included within the Statement of Financial Activities for the year.

**THE DAVID LEAN FOUNDATION**  
**CONSOLIDATED** Statement of Financial Position  
 As at 31 December 2024

	Note	2024 £	2023 £
<b>Fixed Assets</b>			
Film rights	3	111,320	123,560
Investments	4	423,177	364,283
<b>Total fixed assets</b>		<b>534,497</b>	<b>487,843</b>
<b>Current Assets</b>			
Cash at bank and in hand	5	353,835	387,764
Debtors	6	29,117	13,554
<b>Total current assets</b>		<b>382,952</b>	<b>401,318</b>
Creditors: amounts falling due within one year	7	(66,717)	(10,462)
<b>Net current assets</b>		<b>316,235</b>	<b>390,856</b>
<b>Total assets less current liabilities</b>		<b>850,732</b>	<b>878,699</b>
<b>Represented by</b>			
Charitable funds:			
- Permanent Endowment	10	435,936	398,233
- Unrestricted funds	10	414,795	480,466
<b>Total charity funds</b>	10	<b>850,731</b>	<b>878,699</b>

These financial statements were approved by the trustees and authorised for issue on 27 October 2025.

<b>Signed by:</b>	<b>Signed by:</b>
	
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S R Beard Trustee	J P Moulton Trustee

Registered Charity Number 1067074



# THE DAVID LEAN FOUNDATION

## Statement of Financial Position

As at 31 December 2024

	Note	2024 £	2023 £ (as restated)
<b>Fixed Assets</b>			
Investments	4	473,177	414,283
<b>Total fixed assets</b>		<b>473,177</b>	<b>414,283</b>
<b>Current Assets</b>			
Cash at bank and in hand	5	27,835	172,974
Debtors	6	-	4,212
<b>Total current assets</b>		<b>27,835</b>	<b>177,186</b>
Creditors: amounts falling due within one year	7	(55,445)	(4,662)
<b>Net current assets</b>		<b>(27,610)</b>	<b>172,524</b>
<b>Total assets less current liabilities</b>		<b>445,567</b>	<b>586,807</b>
<b>Net assets</b>		<b>445,567</b>	<b>586,807</b>
<b>Represented by</b>			
Charitable funds:			
- Permanent Endowment	10	435,936	398,233
- Unrestricted funds	10	9,631	188,574
<b>Total charity funds</b>	10	<b>445,567</b>	<b>586,807</b>

These financial statements were approved by the trustees and authorised for issue on 27 October 2025.

<p><b>Signed by:</b></p>  <p>FFC9B4A22AA64A5...</p> <p>S R Beard Trustee</p>	<p><b>Signed by:</b></p>  <p>DFC399F0F4D34A4...</p> <p>J P Moulton Trustee</p>
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Registered Charity Number 1067074

**THE DAVID LEAN FOUNDATION**  
**CONSOLIDATED** Statement of Cash Flows-  
 At 31 December 2024

	2024	2023
	£	£
<b>Cash flows from operating activities:</b>		
Net income for the reporting period	(27,968)	(45,700)
Investment (gains)/losses	(40,735)	(17,596)
(Decrease)/increase in creditors	56,255	(3,923)
(Increase) in debtors	(15,563)	(13,554)
Investment income received	(201,858)	(166,617)
Amortisation	12,240	12,240
<b>Net income used in operating activities</b>	<b>(217,629)</b>	<b>(235,150)</b>
<b>Cash flows from investing activities:</b>		
Investment income received	-	5,080
Interest received	14,116	6,669
Royalties received	187,742	154,868
	<b>201,858</b>	<b>166,617</b>
Proceeds from sale of investments	228,756	229,168
Purchase of investment	(246,915)	(233,780)
<b>Net cash used in investing activities</b>	<b>(18,159)</b>	<b>(4,612)</b>
<b>(Decrease)/increase in cash and cash equivalents in the reporting period</b>	<b>(33,930)</b>	<b>(73,145)</b>
Cash and cash equivalents at 1 January	387,764	460,909
<b>Cash and cash equivalents at 31 December</b>	<b>353,835</b>	<b>387,764</b>

# THE DAVID LEAN FOUNDATION

## Accounting Policies

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The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2019).

The principal accounting policies adopted in the preparation of the accounts are set out below.

### **Basis of Preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

### **Basis of Consolidation**

The consolidated financial statements comprise the Foundation and its trading subsidiary David Lean Films Limited (the Group). The summarised profit and loss account of David Lean Films Limited is recorded in note 1.

### **Going Concern**

The Trustees have reviewed the incoming resources and expenditure of the Foundation and believe that there are adequate resources which will enable the Foundation to meet its liabilities for at least one year from the date the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

### **Funds Structure**

The Foundation has a single permanent endowment, which required the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted. The endowment funds are used to support charities whose objects and activities are similar to those of the charity described in the Trustees' Report on page 3.

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include funds committed by the charity for grants.

### **Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably and its probable that the income will be received.

Cash donations are recognised on receipt. Investment income is recognised when received.

# THE DAVID LEAN FOUNDATION

## Accounting Policies

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### **Expenditure**

Expenditure is charged inclusive of irrecoverable value added tax. Direct charitable expenditure (grants payable) comprises those payments directly incurred in pursuance of the Foundation's charitable activities.

### **Grant Making Policies**

The grant making policy is explained in the Trustees report and is affected by regular contact with the recipient national UK charities. Applications from other charities and organisations, if received, are treated on an individual basis consistent with the adopted policy of the Foundation.

### **Investments**

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals or impairment losses are recognised immediately in profit and loss.

The investments held by the charity are stated at current fair value with realised and unrealised gains and losses being dealt with in the statement of financial activities. Investment income and gains or losses on sale of the investments are debited or credited directly to the statement of financial activities when they are received/incurred.

### **Intangible Assets**

The Film rights are classified as intangible assets. The directors of the trading subsidiary reconsidered the useful economic life of the film rights at 1 January 2014, and as a result it was resolved that the then remaining useful life was 20 years. On 31 December 2024, the directors reassessed the economic life of the film rights, as detailed in note 3 of these accounts.

At each reporting end date, the Foundation reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Heritage assets**

The Foundation holds a collection of the screenplays and title documents to films directed by Sir David Lean

# THE DAVID LEAN FOUNDATION

## Accounting Policies

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together with photographs, awards, correspondence and a library of books. The Foundation has also deposited on loan other archival material with the British Film Institute National Archive.

Both collections are available for research purposes and have significant intrinsic value relating to the films of David Lean. There is no material cost attributable to these collections and conventional valuation techniques would be inappropriate, so as a result no value is included in the financial statements. As a consequence these collections are deemed to fall within the definition of heritage assets. Expenditure required to accommodate and preserve the collections is recognised in the statement of financial activities when it is incurred.

### Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

### Taxation

The Foundation is recognised as a charity by HM Inland Revenue [EW70618]. It is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the statement of financial position when the Foundation becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

### Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

### Other financial assets

Other financial assets, including endowment investments, are initially measured at transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# THE DAVID LEAN FOUNDATION

## Accounting Policies

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### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities.

### **Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price. The Foundation only has basic financial liabilities.

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## I.

### a. Income Group: Net income from trading activities and subsidiary

The Foundation has a wholly owned trading subsidiary, David Lean Films Limited (Subsidiary), which collects film royalties, administers its own funds and makes gift aid distribution to the Foundation.

David Lean Films Limited is incorporated in the UK. It transfers its distributable profits by gift aid to the Foundation. A summary of its trading results for the year is shown below.

Financial statements for the subsidiary are filed with the Registrar of Companies.

	2024	2023
	£	£
<b>Profit and loss account</b>		
Turnover - Royalties	187,742	154,868
Cost of sales	(38,529)	(45,335)
<b>Gross Profit</b>	<u>149,213</u>	<u>109,533</u>
Administration expenses	(6,614)	(5,000)
Amortisation of intangibles	(12,240)	(12,240)
<b>Operating profit</b>	<u>130,359</u>	<u>92,293</u>
Interest receivable	9,153	5,929
<b>Profit on ordinary activities before taxation</b>	<u>139,512</u>	<u>98,222</u>
Tax on profit on ordinary activities	(26,240)	-
<b>Profit for the Financial Year</b>	<u>113,272</u>	<u>98,222</u>
Total equity/assets of the subsidiary	<u>113,272</u>	<u>98,222</u>

### b. Income charity: Donations

	2024	2023
	£	£
Gift aid distribution from subsidiary - unrestricted	-	64,106
<b>Total donations</b>	<u>-</u>	<u>64,106</u>

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## 2. Resources Expended

### a. Analysis of Grants

	2024 £
<b>Grants made to institutions</b>	
Grants committed in year	95,000
New grants paid in year	(65,000)
<b>Total grants committed at 31 December</b>	<u>30,000</u>

### b. Expenditure

	2024 £	2023 £
<b>David Lean Foundation</b>		(restated)
unrestricted costs:		
- grants committed in year	95,000	133,313
- support costs	88,341	30,722
subtotal	<u>183,341</u>	<u>164,035</u>
endowment:		
- IM fees	3,597	3,303
total	<u>186,938</u>	<u>167,338</u>
<b>David Lean Films Ltd.</b>		
unrestricted costs:		
- cost of sales	38,529	45,335
- administration	6,614	5,000
- amortisation of film rights	12,240	12,240
- taxation	26,240	-
total	<u>83,623</u>	<u>62,575</u>

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

	2024	2023
	£	£
<b>Group</b>		
unrestricted costs	266,964	226,610
endowment costs	3,597	3,303
total	<u>270,561</u>	<u>229,913</u>

Details of grants paid and committed are listed in appendix I.

### 3. Intangible Fixed Assets Group

	2024
	Film rights
	£
<b>Intangible fixed assets group</b>	
Cost at 1 January	482,365
Cost at 31 December	482,365
Amortisation at 1st January	358,805
Charge for 12 months to 31 December	12,240
to 31 December	<u>371,045</u>
<b>Net book value</b>	
At 1 January	<u>123,560</u>
<b>At 31 December</b>	<u>111,320</u>

At 31 December 2024 the trustees reassessed the useful economic life of the film rights in light of the royalties remaining at a relatively consistent level. In keeping with UK copyright laws the value of the film rights owned by David Lean Films Ltd. will be considered to be £nil in 2061, 70 years after the death of Sir David Lean. The remaining net book value of the film rights are to therefore be amortised over a period of 37 years.

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## 4.

### a. Fixed asset investments

	2024	2023
	Equities	Equities
	£	£
Fair value Jan 1	364,283	342,075
Gains	40,735	17,596
Purchase of investments	246,915	233,780
Sale of investments	(228,756)	(229,168)
<b>Fair Value Dec 31</b>	<u>423,177</u>	<u>364,283</u>

### b. Investment in subsidiary

The Foundation owns the entire issued ordinary share capital of David Lean Films Limited, (registered company number 3429283) a company incorporated in England and Wales.

	2024
	£
Cost at 1 January (as restated) and 31 December	50,000
<b>Net book value</b>	
at 1 January	50,000
at 31 December	50,000

## 5. Cash at bank

	<b>Group</b>		<b>Foundation</b>	
	2024	2023	2024	2023
	£	£	£	£
Unrestricted	340,763	353,539	14,763	138,749
Endowment	13,072	34,225	13,072	34,225
	<u>353,835</u>	<u>387,764</u>	<u>27,835</u>	<u>172,974</u>

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## 6. Debtors

	Group		Foundation	
	2024	2023	2024	2023
	£	£	£	£
Debtors	29,117	13,554	-	4,212

## 7. Creditors: amount falling due within one year

	Group		Foundation	
	2024	2023	2024	2023
	£	£	£	£
Accruals	9,400	10,462	3,000	4,662
Grants payable	30,000	-	30,000	-
Accounts payable	27,317	-	22,445	-
	<u>66,717</u>	<u>10,462</u>	<u>55,445</u>	<u>4,662</u>

## 8. Financial instruments

	2024	2023
	£	£
<b>Carrying amount of financial assets:</b>		
Equity instruments at fair value	423,177	364,283

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## 9. Analysis of charitable funds

	I January 2024	Income	Expenditure	Gains/losses	Transfer	31 December 2024
<b>Group</b>	£	£	£	£	£	£
Endowment	398,233	4,962	(3,597)	40,735	(4,397)	435,936
Unrestricted funds	480,466	196,896	(266,964)	-	4,397	414,795
	<u>878,699</u>	<u>201,858</u>	<u>(270,561)</u>	<u>40,735</u>	<u>-</u>	<u>850,731</u>

	I January 2024	Income	Expenditure	Gains/losses	Transfer	31 December 2024
<b>Foundation</b>	£	£	£	£	£	£
Endowment	398,233	4,962	(3,597)	40,735	(4,397)	435,936
Unrestricted funds	188,574	-	(183,341)	-	4,397	9,631
	<u>586,807</u>	<u>4,962</u>	<u>(186,938)</u>	<u>40,735</u>	<u>-</u>	<u>445,567</u>

	I January 2023	Income	Expenditure	Gains/losses	Transfer	31 December 2023
<b>Group</b>	£	£	£	£	£	£
Endowment	383,200	740	(3,303)	17,596	-	398,233
Unrestricted funds	541,199	165,877	(226,610)	-	-	480,466
	<u>924,399</u>	<u>166,617</u>	<u>(229,913)</u>	<u>17,596</u>	<u>-</u>	<u>878,699</u>

	I January 2023	Income	Expenditure	Gains/losses	Transfer	31 December 2023
<b>Foundation</b> (as restated)	£	£	£	£	£	£
Endowment	383,200	740	(3,303)	17,596	-	398,233
Unrestricted funds	283,419	69,189	(164,034)	-	-	188,574
	<u>666,619</u>	<u>69,929</u>	<u>(167,337)</u>	<u>17,596</u>	<u>-</u>	<u>586,807</u>

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## 10. Analysis of net assets between funds

### Assets at 31 December 2024

	Investments	Cash at bank	Creditors	Debtors	Net assets
<b>Group</b>	£	£	£	£	£
Endowment	423,177	13,072	(313)	-	435,936
Unrestricted funds	111,320	340,763	(66,405)	29,117	414,795
	<u>534,497</u>	<u>353,835</u>	<u>(66,718)</u>	<u>29,117</u>	<u>850,731</u>

	Investments	Cash at bank	Creditors	Debtors	Net assets
<b>Foundation</b>	£	£	£	£	£
Endowment	423,177	13,072	(313)	-	435,936
Unrestricted funds	50,000	14,763	(55,132)	-	9,631
	<u>473,177</u>	<u>27,835</u>	<u>(55,445)</u>	<u>-</u>	<u>445,567</u>

### Assets at 31 December 2023

	Investments	Cash at bank	Creditors	Debtors	Net assets
<b>Group</b>	£	£	£	£	£
Endowment	364,283	34,225	(275)	-	398,233
Unrestricted funds	123,560	353,539	(10,187)	13,554	480,466
	<u>487,843</u>	<u>387,764</u>	<u>(10,462)</u>	<u>13,554</u>	<u>878,699</u>

	Investments	Cash at bank	Creditors	Debtors	Net assets
<b>Foundation</b> (as restated)	£	£	£	£	£
Endowment	364,283	34,225	(275)	-	398,233
Unrestricted funds	50,000	138,749	(4,387)	4,212	188,574
	<u>414,283</u>	<u>172,974</u>	<u>(4,662)</u>	<u>4,212</u>	<u>586,807</u>

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

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## 11. Unrestricted funds

The Foundation's principal source of income is royalties from three of the major films directed by Sir David Lean. These royalties and of other rights Sir David Lean films are uncertain in amount and duration and depend (inter alia) upon their promotion.

## 12. Commitments

When the Trustees have resolved to make a charitable grant and have communicated this decision to the recipient the amount committed is then treated as a creditor. No grants have been awarded subject to such conditions that would require them not to be treated as a creditor.

## 13. Related party transactions

The Foundation received a gift aid distribution from its subsidiary David Lean Films Ltd of £nil (2023: £64,109).

S R Beard, a trustee of the Foundation and director of David Lean Films Ltd, is a director and the principal shareholder of Peter Smith (Farms) Ltd a company which, during the year received from the Group £36,504 (2023:£47,148) for providing office, accounting and administration services to the Foundation and David Lean Films Ltd. The amount outstanding at the year-end was £nil (2022 £nil).

M W Thowless-Reeves, a trustee of the Foundation is a partner and shareholder of SORBUS.org. The trustees appointed SORBUS.org to provide administrative services for both the David Lean Foundation and its subsidiary David Lean Films Limited on 1 July 2024. To 31 December 2024, SORBUS.org has received from the Group £14,037 (2023: £nil) for banking and accounting services, charity administration, and grant management.

The total remuneration of the Trustees of the Foundation and the directors of David Lean Films Ltd was £nil (2022: £nil).

Mr A A Reeves, a director of the David Lean Films Ltd until 29th January 2025, is entitled to a commission on the royalties received from "A Passage to India" and in 2024 received £406 (2023: £81).

M W Thowless-Reeves, a trustee of the Foundation is the senior partner and designated member of Sorbus Partners LLP, who act as investment managers to the Foundation. During the year the Foundation was charged £3,597 (2023: £3,303) for investment manager fees for managing the investment portfolio on behalf of the Foundation.

## 14. Prior period adjustment

In preparing the financial statements for the year the Trustees identified an error in relation to the investment in subsidiaries. The error arose from the investment in the subsidiary being based on the value of the film rights owned by the subsidiary, however these were not being recognised on a fair value of historical costs basis as required under UK GAAP. The investment is now being recognised at cost in line with the accounting policy. When adjusted it has resulted in a decrease to the opening reserves at 1 January 2022 of £75,055 and decreased the investment in the subsidiary by the same amount.

The investment in the subsidiary had previously been amortised by £12,240 each year. After the adjustment to the value of the investment there is no need to amortise and £12,240 has been removed from the 2022 & 2023 charitable activities expenditure. There is no impact on the consolidated figures.

# THE DAVID LEAN FOUNDATION

Notes to the Financial Statements-

For the year ended 31 December 2024

## Changes to the Statement of Financial Activities

	As Previously stated 31 December 2023 £	Adjustments £	Restated position 31 December 2023 £
Expenditure on charitable activities	179,577	(12,240)	167,337
Net income	(92,052)	12,240	(79,812)
Net movement in funds	(92,052)	12,240	(79,812)

## Changes to the Statement of Financial Position

	As Previously stated 31 December 2023 £	Adjustments £	Restated position 31 December 2023 £
Investments	464,858	(50,575)	414,283
Total fixed assets	464,858	(50,575)	414,283
Total assets less current liabilities	637,382	(50,575)	586,807
Net assets	637,382	(50,575)	586,807
Unrestricted reserves	(239,149)	50,575	(188,574)
Total charity reserves	(637,382)	50,575	(586,807)

### 15. Post balance sheet date

Subsequent to the balance sheet date, additional film rights have been gifted to the Foundation. These rights have not yet been valued for accounting purposes. Cash funds to the value of £3.71m have also been donated post year end.

# THE DAVID LEAN FOUNDATION

Appendix-

For the year ended 31 December 2024

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	2024	Future
	Grant paid	commitments
	£	£
<b>Grants made to institutions</b>		
British Film Institute/Trust	65,000	-
National Film & Television School	30,000	30,000
Total	<u>95,000</u>	<u>30,000</u>

The total grants made since the establishment of the Foundation in 1997 was £6.08m.

**THE DAVID LEAN FOUNDATION**

England & Wales - Charity number 1067074

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# Accounts

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THE DAVID LEAN FOUNDATION

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TRUSTEES' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

31 December 2023

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# THE DAVID LEAN FOUNDATION

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THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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<b>Legal Entity</b>	The David Lean Foundation
<b>Governing Instrument</b>	Deed of Trust 19 November 1997
<b>Trustees</b>	Anthony Alan Reeves Sally Ruth Beard Max William Thowless-Reeves Jon Paul Moulton
<b>Independent Examiner</b>	RSM UK Tax and Accounting Limited 10 <sup>th</sup> Floor, 103 Colmore Row Birmingham
<b>Bankers</b>	Handelsbanken plc 1 Lakeside Festival Park Stoke on Trent
<b>Investment Managers</b>	Sorbus Partners 41a Eastgate Street Stafford
<b>Legal Advisers</b>	Freeths LLP 80 Cumberland Place Mount Street Nottingham
<b>Registered Office</b>	The Bradshaws Codsall Staffordshire
<b>Charity</b>	1067074  Registered 23/12/1997
<b>HMRC</b>	EW70618

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Trustees**

The trustees have responsibility for the management of the Foundation. There is no minimum or maximum number of trustees prescribed by the trust deed. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The trustees are responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity.

The income of the Foundation depends upon the gift aid distribution from its trading subsidiary David Lean Films Limited which it derives its income from royalties received from Sir David Lean's films. The Trustees are the only directors of the subsidiary.

All decisions of the Foundation are taken by all of the trustees. The trustees review, on a regular basis gift aid income, available funds and current and pending commitments to make grants that in principle fall within the grant policy.

### **Objectives and Activities**

The objectives of the Foundation are:

- to promote and advance education and to cultivate and improve public taste in the visual arts in particular by stimulating original and creative work in the field of film production in particular including screenplay writing and film direction and film editing by encouraging a high standard of art and technique in persons engaged in such film production and by encouraging and promoting the improvement of the standard of the arts, sciences and techniques of fiction film making.
- to benefit such charitable institutions or other charitable object or objects as the Trustees shall in their absolute discretion think fit to support or establish.

In pursuance of the objectives the trustees have powers

- to further the preservation and public exhibition of films including those films directed by Sir David Lean
- to encourage and sponsor education publications and promote exhibitions and lectures and generally to disseminate knowledge of the art and technique of film making by means of the reading of papers, delivery of lectures, giving of advice or otherwise
- to co-operate with educational establishments and other charities to procure the better appreciation and understanding of films and the arts.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Aims**

The Foundation's grants are awarded to other charitable institutions whose aims include those similar to those of the Foundation principally the National Film and Television School, the British Film Institute and the British Academy of Film and Television Arts.

The Foundation aims to achieve its objectives by both making grants and encouraging recipient organisations to improve their governance and performance. Recipients of grants from the Foundation are required, as a pre-condition of receiving the grant, to provide a report as to the use of the grant and the results.

The grant policy is not to make individual scholarship or other grants not related to the objectives of the Foundation.

### **Achievements**

During 2023 David Lean Films Ltd received royalties of £154,868 (2022: £213,968) from the films of David Lean.

The total outstanding commitments at the balance sheet date were £nil.

Since establishment the Foundation has made grants of £5,950,074 towards its objectives and at the end of the year had grant commitments of £nil.

### **Future Plans**

The trustees intend to continue expending the charity's incoming resources by making grants as reported under "Aims" above.

### **Public Benefit**

The trustees comply with the duty in the Charities Act 2011 and have regard to guidance published by the Charity Commission as regards public benefit requirements by making grants to national charities.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Risks**

The Foundation's principal current and future source of unrestricted income is gift aid from the distributable profits of its trading subsidiary's royalties from the films directed by Sir David Lean. The royalties are uncertain in amount and duration and depend upon the promotion of such films in all media.

The policy identifies the major risks to which the Foundation and its subsidiary is exposed to as reduction of royalty income, staffing requirements, trustee succession, failure of technology, premises and archives destruction. These risks have been reviewed and systems and procedures have been established to manage them and where necessary insurance is in place.

### **Financial Review**

During the year the Foundation received a gift aid payment from its subsidiary of £64,109 (2022 £213,051).

At the balance sheet date the Foundation (charity only) had total unrestricted net funds of £637,382 (2022: £729,434) represented by £172,974 cash and creditors of £4,662 (2022: £5,875) debtors of £4,212 (2022:£nil). The Foundation has investments of £464,858 including an investment in its subsidiary David Lean Films Limited of £100,575.

On consolidation at the balance sheet date, the Foundation and David Lean Films Limited (the group) had total net funds of £878,699 (2022: £924,399) represented by £487,843 of fixed assets, £387,764 of cash less accruals of £10,462 and debtors of £13,554.

### **Reserves Policy**

The reserves policy is that the unrestricted income reserves of the charity should represent six months investment income. At the year end this would require a minimum income reserve of £35,000 (2022:£110,000). The unrestricted reserves of the charity are £239,149 (2022:£346,235).

THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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**Statement of Trustees Responsibilities**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


The law applicable to charities in England 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 methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

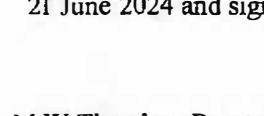
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the requirements of the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Approved by the Trustees on

  
A A Reeves  
Trustee

  
S R Beard  
Trustee

21 June 2024 and signed by

  
M W Thowless-Reeves  
Trustee

  
JP Moulton  
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

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I report to the charity trustees on my examination of the consolidated financial statements of The David Lean Foundation ('the charity') and its subsidiary undertaking for the year ended 31 December 2023, which are set out on pages 5 to 24.

**Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the consolidated financial statements of the group in accordance with the requirements of the Charities Act 2011 ('the 2011 Act') and you have chosen to prepare consolidated financial statements for the group. You are satisfied that the accounts of both the charity and the group are not required by charity law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the consolidated financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the consolidated financial statements present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act and, with respect to its subsidiaries, were not kept as required by section 386 of the Companies Act 2006; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

THE DAVID LEAN FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

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I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed: *Paul Oxtoby*

Name: Paul Oxtoby

Name of applicable listed body: *Association of Chartered Certified Accountants*

Relevant professional qualification or membership of professional body: *Chartered Certified Accountant*

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3AG  
Date: 10 July 2024

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2023

			2023	2022
	Note	Unrestricted Funds	Endowment Fund	Total Funds
		£	£	£
<b>Income</b>				
Royalties receivable		154,868		154,868
Investment income		11,009	740	11,749
<b>Total income</b>		<b>165,877</b>	<b>740</b>	<b>166,617</b>
<b>Expenditure on :</b>				
Raising funds	1a	62,575	-	62,575
Expenditure on Charitable Activities		164,035	3,303	167,338
<b>Total Expenditure</b>		<b>226,610</b>	<b>3,303</b>	<b>229,913</b>
Net gains/(losses) on investments		-	17,596	17,596
<b>Net movement in funds</b>	9	<b>(60,733)</b>	<b>15,033</b>	<b>(45,700)</b>
<b>Reconciliation of funds</b>				
Fund balances 1 January 2023		541,199	383,200	924,399
<b>Fund balances 31 December 2023</b>		<b>480,466</b>	<b>398,233</b>	<b>878,699</b>

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2023

	Note	2023 Unrestricted Funds £	2023 Endowment Funds £	2023 Total Funds £	2022 Total Funds £
<b>Income</b>					
Gift Aid donations	1b	64,109		64,109	213,051
Investment income		5,080	740	5,820	6,913
<b>Total income</b>		69,189	740	69,929	219,964
<b>Expenditure</b>					
Expenditure on Charitable activities	2	176,274	3,303	179,577	46,339
<b>Total Expenditure</b>		176,274	3,303	179,577	46,339
Net gains on investments			17,596	17,596	(14,327)
<b>Net movement in funds</b>		(107,085)	15,033	(92,052)	159,298
<b>Reconciliation of funds</b>					
Fund balances 1 January 2023		346,234	383,200	729,434	570,136
<b>Fund balances 31 December 2023</b>		239,149	398,233	637,382	729,434

The incoming resources and resources expended derive from continuing operations.  
All gains and losses are included within the Statement of Financial Activities for the year.

THE DAVID LEAN FOUNDATION

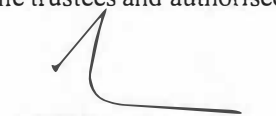
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2023

	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Film rights	3	123,560	135,800
Investments	4	<u>364,283</u> 487,843	<u>342,075</u> 477,875
<b>Current assets</b>			
Cash at bank and in hand	5	387,764	460,909
Debtors		13,554	
Total current assets		<u>401,318</u>	<u>460,909</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(10,462)</u>	<u>(14,385)</u>
<b>Net current assets</b>		<u>390,856</u>	<u>446,524</u>
<b>Total assets less current liabilities</b>		878,699	924,399
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	398,233	383,200
Unrestricted funds	9	480,466	541,199
<b>Total charity funds</b>	9	<u>878,699</u>	<u>924,399</u>

These financial statements were approved by the trustees and authorised for issue on 21 June 2024.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

  
M W Thowless-Reeves  
Trustee

JP Moulton  
Trustee

Registered number 1067074

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023	2022
		£	£
<b>Fixed assets</b>			
Investments in subsidiary	4a	100,575	112,815
Investments	4	<u>364,283</u>	<u>342,075</u>
		464,858	454,890
<b>Current assets</b>			
Cash at bank and in hand		172,974	280,420
Prepayment		4,212	-
<b>Creditors:</b> amounts falling due within one year	6	(4,662)	<u>(5,875)</u>
<b>Net current assets</b>		<u>172,524</u>	<u>274,545</u>
<b>Total assets less current liabilities</b>		637,382	729,435
<b>Net assets</b>		<u>637,382</u>	<u>729,435</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	398,233	383,200
Unrestricted funds	9	239,149	346,235
		_____	_____
<b>Total charity funds</b>	9	<u>637,382</u>	<u>729,435</u>

These financial statements were approved by the trustees and authorised for issue on 21 June 2024.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

M W Thowless-Reeves  
Trustee

JP Moulton  
Trustee

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
at 31 December 2023

	2023	2022
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the reporting period	(45,700)	110,356
Investment (gains)/losses	(17,596)	14,327
(Decrease)increase in creditors	(3,923)	(44,815)
(Increase) in debtors	(13,554)	-
Investment income received	(166,617)	(222,594)
Amortisation	12,240	12,240
	<hr/>	<hr/>
<b>NET INCOME USED IN OPERATING ACTIVITIES</b>	<b>(235,150)</b>	<b>(130,486)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income received	5,080	6,822
Interest received	6,669	1,804
Royalties received	154,868	213,968
	<hr/>	<hr/>
	166,617	222,594
Proceeds from sale of investments	229,168	121,939
Purchase of investments	(233,780)	(135,947)
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,612)</b>	<b>(14,008)</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		
	<b>(73,145)</b>	<b>78,100</b>
Cash and cash equivalents at the beginning of the reporting period	460,909	382,809
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>387,764</b>	<b>460,909</b>
	<hr/>	<hr/>

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

#### **Basis of Preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### **Basis of Consolidation**

The consolidated financial statements comprise the Foundation and its trading subsidiary David Lean Films Limited (the Group). The summarised profit and loss account of David Lean Films Limited is recorded in note 1.

#### **Going Concern**

The Trustees have reviewed the incoming resources and expenditure of the Foundation and believe that there are adequate resources which will enable the Foundation to meet its liabilities for at least one year from the date the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

#### **Funds Structure**

The Foundation has a single permanent endowment, which required the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted. The endowment funds are used to support charities whose objects and activities are similar to those of the charity described in the Trustees' Report on page 1.

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include funds committed by the charity for grants.

### **Incoming Resources**

Income is recognised when received. No funds have been received which are restricted.

### **Resources expended**

Expenditure is charged inclusive of irrecoverable value added tax. Direct charitable expenditure (grants payable) comprises those payments directly incurred in pursuance of the Foundation's charitable activities.

### **Grant Making Policies**

The grant making policy is explained in the Trustees report and is effected by regular contact with the recipient national UK charities. Applications from other charities and organisations if received, are treated on an individual basis consistent with the adopted policy of the Foundation.

### **Investments and Intangible Assets**

The Film rights are classified as intangible assets. The directors of the trading subsidiary reconsidered the useful economic life of the film rights at 1 January 2014, and as a result it was resolved that the then remaining useful life was 20 years.

The investments relate to the trading subsidiary and have been impaired in line with the life of the film rights.

### **Impairment of Fixed Assets**

At each reporting end date, the Foundation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# THE DAVID LEAN FOUNDATION

## ACCOUNTING POLICIES

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### **Heritage assets**

The Foundation holds a collection of the screenplays and title documents to all of the films directed by Sir David Lean together with photographs, awards, correspondence and a library of books. The Foundation has also deposited on loan other archival material with the British Film Institute National Archive.

Both collections are available for research purposes and have significant intrinsic value relating to the films of David Lean. There is no material cost attributable to these collections and conventional valuation techniques would be inappropriate, so as a result no value is included in the financial statements. As a consequence these collections are deemed to fall within the definition of heritage assets. Expenditure required to accommodate and preserve the collections is recognised in the SOFA when it is incurred.

### **Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

### **Taxation**

The Foundation is recognised as a charity by HM Inland Revenue [EW70618]. It is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### **Financial instruments**

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the statement of financial position when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

### **Other financial assets**

Other financial assets, including endowment investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities.

### **Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price. The Foundation only has basic financial liabilities.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1a. **Income Group: Net income from trading activities and subsidiary**

The Foundation has a wholly owned trading subsidiary, David Lean Films Limited (Subsidiary), which collects film royalties, administers its own funds and makes gift aid distribution to the Foundation.

David Lean Films Limited is incorporated in the UK. It transfers its distributable profits by gift aid to the Foundation. A summary of its trading results for the year is shown below.

Financial statements for the subsidiary are filed with the Registrar of Companies.

	2023 £	2022 £
Profit and Loss Account		
Turnover – Royalties	154,868	213,968
Cost of Sales	<u>(45,335)</u>	<u>(46,572)</u>
<b>Gross Profit</b>	109,533	167,396
<b>Administration expenses</b>	(5,000)	(5,000)
Amortisation of Intangibles	<u>(12,240)</u>	<u>(12,240)</u>
<b>Operating profit</b>	92,293	150,156
Interest receivable	5,929	1,713
	—————	—————
<b>Profit on Ordinary</b>		
<b>Activities Before Taxation</b>	98,222	151,869
Tax on Profit on Ordinary Activities	-	-
	—————	—————
<b>Profit for the Financial Year</b>	98,222	151,869
	—————	—————
Total equity/assets of the subsidiary	98,222	151,869
	—————	—————

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2023

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1b. **Income charity: Donations**

	2023	2022
	£	£
Gift Aid distribution from Subsidiary - unrestricted	64,109	213,051
	<hr/>	<hr/>
Total Donations	<u>64,109</u>	<u>213,051</u>

2. **Resources expended**

	£	£
Analysis of Grants		
Grants committed at 31 December 2022		-
Grant reductions/adjustments		
Grants committed in 2023		133,700
Grants paid in 2023		
New grants paid in 2023		(133,313)
		<hr/>
Total grants committed at 31 December 2023		<u>388</u>

Details of grants paid and committed are listed in appendix 1.

The Trustees have not received any remuneration from and have not been reimbursed by the Foundation for any expenses in the year, and there are no employees.

Total unrestricted consolidated charitable costs of £164,035 (2022: £30,908) include £133,700 grants payable (2022: (£39,265) and support costs of £30,722 (2022: £38,642).

The Foundation's unrestricted charitable cost of £176,274 (2022: £43,148) includes £133,700 grants payable (2022: (£39,265) and support costs of £42,962 (2022: £50,882).

Restricted administration and support costs included in charitable activities costs total £3,303 (2022: £3,191).

The amount payable for the independent examination is £6,200 (2022: audit £9,550) and for tax fees £2,800 (2022: £4,560).

THE DAVID LEAN FOUNDATION

NOTE TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2023

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<b>3. Intangible Fixed Assets Group</b>	Film Rights £
Cost at beginning and end of year	<u>482,365</u>
Amortisation At beginning of year	346,565
Charge for 12 months to 31 December 2022	12,240
To 31 December 2023	<u>358,805</u>
Net book value	
At 31 December 2023	123,560
At 31 December 2022	<u>135,800</u>
<b>4 Fixed asset investments</b>	Equities £
At beginning of year	342,075
Gains	17,596
Additions	233,780
Disposals at carrying value	(229,168)
At end of year 31 December 2023	<u>364,283</u>

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

**4a Investment in subsidiary**

The Foundation owns the entire issued ordinary share capital of David Lean Films Limited, (registered numbered 3429283) a company incorporated in England and Wales.

	£
Cost at beginning and end of year	474,065
Impairment	
At the beginning of year	361,250
Charge for the year	12,240
At end of year	373,490
Net book value	
At 31 December 2023	<u>100,575</u>
At 31 December 2022	<u>112,815</u>

The financial information of the subsidiary undertaking David Lean Films Limited for the year ended 31 December 2023 is shown in note 1a.

**5. Cash at bank**

	Group		Foundation	
	2023	2022	2023	2022
	£	£	£	£
Current	353,539	419,508	138,749	239,019
Endowment	34,225	41,401	34,225	41,401
	<u>387,764</u>	<u>460,909</u>	<u>172,974</u>	<u>280,420</u>

All current cash forms part of unrestricted funds of which £nil (2022: £nil) is committed to grants within one year.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2023

**6. Creditors: amounts falling due within one year**

	Group		Foundation	
	2023 £	2022 £	2023 £	2022 £
Accruals	10,462	14,385	4,662	5,875
	<u>10,462</u>	<u>14,385</u>	<u>4,662</u>	<u>5,875</u>

**7. Financial instruments**

	2023 £	2022 £
<b>Carrying amount of financial assets:</b>		
Equity instruments at fair value	364,283	442,075

**8. Analysis of charitable funds**

	Brought forward £	Income £	Expenditure £	Gains/losses £	Carried forward £
Endowment	383,200	740	(3,303)	17,596	398,233
Unrestricted Funds	541,199	165,877	(226,610)	-	475,966
	<u>924,399</u>	<u>166,617</u>	<u>(229,913)</u>	<u>17,596</u>	<u>878,699</u>

# THE DAVID LEAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 9. Analysis of net assets between funds

	Investments	Cash at bank	Creditors	Debtors	Net assets
	£	£	£	£	£
Endowment	364,283	34,225	(275)		398,233
Unrestricted	123,560	353,539	(10,187)	13,554	480,466
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	487,843	387,764	(10,462)	13,554	878,699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 10. Unrestricted funds

The Foundation's principal source of income is royalties rights from three of the major films directed by Sir David Lean. These royalties and of other rights Sir David Lean films are uncertain in amount and duration and depend (inter alia) upon their promotion.

### 11. Commitments

When the Trustees have resolved to make a charitable grant and have communicated this decision to the recipient the amount committed is then treated as a creditor. No grants have been awarded subject to such conditionally that would require them not to be treated as a creditor.

### 12. Related Party Transactions

The Foundation received a gift aid distribution from its subsidiary David Lean Films Ltd of £64,109 (2022: £213,051).

S R Beard, a trustee of the Foundation and director of David Lean Films Ltd, is a director and the principal shareholder of Peter Smith (Farms) Ltd a company which, during the year received from the Foundation £47,148 (2022:£55,771) for providing office, accounting and administration services to the Foundation and David Lean Films Ltd. The amount outstanding at the year-end was £nil (2022 £nil).

The total remuneration of the Trustees of the Foundation and the directors of David Lean Films Ltd was £nil (2022: £nil).

Mr A A Reeves, a director of the David Lean Films Ltd, is entitled to a commission on the royalties received from "A Passage to India" and in 2022 received £81 (2022 £172).

MW Thowless-Reeves a trustee of the Foundation is the senior partner and designated member of Sorbus Partners LLP, who act as investment managers to the Foundation. He is also a son of AA Reeves, a trustee of the Foundation. During the year the Foundation was charged £3,303 (2022: £3,191) for investment manager fees for managing the investment portfolio on behalf of the Foundation.

THE DAVID LEAN FOUNDATION

APPENDIX 1  
31 December 2023

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Grants and commitments	2023	
	Grants paid £	Future commitments £
British Film Institute/Trust	77,000	-
National Film & Television School	30,000	-
British Academy of Film and television Arts	20,000	-
Royal Academy of Arts	4,200	-
The Art Fund	2,113	-
Total	<u>133,313</u>	<u>-</u>

The total grants made since the establishment of the Foundation in 1997 was £5.95m.

THE DAVID LEAN FOUNDATION

APPENDIX 2  
31 December 2023

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Grants	£
1998-2000	195,369
2001-2005	1,572,269
2006-2010	1,649,064
2011-2015	1,187,389
2016-2020	1,082,821
2021-2023	263,162
	<hr/>
	5,950,074
Commitments	-
	<hr/>
	5,950,074
	<hr/>

**THE DAVID LEAN FOUNDATION**

England & Wales - Charity number 1067074

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# Accounts

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THE DAVID LEAN FOUNDATION

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TRUSTEES' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

31 December 2022

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# THE DAVID LEAN FOUNDATION

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THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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<b>Legal Entity</b>	The David Lean Foundation
<b>Governing Instrument</b>	Deed of Trust 19 November 1997
<b>Trustees</b>	Anthony Alan Reeves Sally Ruth Beard Max William Thowless-Reeves
<b>Auditors</b>	RSM UK Audit LLP 10 <sup>th</sup> Floor, 103 Colmore Row Birmingham
<b>Bankers</b>	Handelsbanken plc 1 Lakeside Festival Park Stoke on Trent
<b>Investment Managers</b>	Sorbus Partners 41a Eastgate Street Stafford
<b>Legal Advisers</b>	Freeths LLP 80 Cumberland Place Mount Street Nottingham
<b>Registered Office</b>	The Bradshaws Codsall Staffordshire
<b>Charity</b>	1067074  Registered 23/12/1997
<b>HMRC</b>	EW70618

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Trustees**

The trustees have responsibility for the management of the Foundation. There is no minimum or maximum number of trustees prescribed by the trust deed. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The trustees are responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity.

The income of the Foundation depends upon the gift aid distribution from its trading subsidiary David Lean Films Limited which it derives its income from royalties received from Sir David Lean's films. The Trustees are the only directors of the subsidiary.

All decisions of the Foundation are taken by all of the trustees. The trustees review, on a regular basis gift aid income, available funds and current and pending commitments to make grants that in principle fall within the grant policy.

### **Objectives and Activities**

The objectives of the Foundation are:

- to promote and advance education and to cultivate and improve public taste in the visual arts in particular by stimulating original and creative work in the field of film production in particular including screenplay writing and film direction and film editing by encouraging a high standard of art and technique in persons engaged in such film production and by encouraging and promoting the improvement of the standard of the arts, sciences and techniques of fiction film making.
- to benefit such charitable institutions or other charitable object or objects as the Trustees shall in their absolute discretion think fit to support or establish.

In pursuance of the objectives the trustees have powers

- to further the preservation and public exhibition of films including those films directed by Sir David Lean
- to encourage and sponsor education publications and promote exhibitions and lectures and generally to disseminate knowledge of the art and technique of film making by means of the reading of papers, delivery of lectures, giving of advice or otherwise
- to co-operate with educational establishments and other charities to procure the better appreciation and understanding of films and the arts.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Aims**

The Foundation's grants are awarded to other charitable institutions whose aims include those similar to those of the Foundation principally the National Film and Television School, the British Film Institute and the British Academy of Film and Television Arts.

The Foundation aims to achieve its objectives by both making grants and encouraging recipient organisations to improve their governance and performance. Recipients of grants from the Foundation are required, as a pre-condition of receiving the grant, to provide a report as to the use of the grant and the results

The grant policy is not to make individual scholarship or other grants not related to the objects of the Foundation.

### **Achievements**

During 2022 David Lean Films Ltd received royalties of £213,968 (2021: £182,505) from the films of David Lean.

The total outstanding commitments at the balance sheet date were £nil.

Since establishment the Foundation has made grants of £5,816,761 towards its objectives and at the end of the year had grant commitments of £nil.

### **Future Plans**

The trustees intend to continue expending the charity's incoming resources by making grants as reported under "Aims" above.

### **Public Benefit**

The trustees comply with the duty in the Charities Act 2011 and have regard to guidance published by the Charity Commission as regards public benefit requirements by making grants to national charities.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Risks**

The Foundation's principal current and future source of income is gift aid from the distributable profits of its trading subsidiary's royalties from the films directed by Sir David Lean. The royalties are uncertain in amount and duration and depend upon the promotion of such films in all media.

The Foundation has a risk policy. The policy identifies the major risks to which the Foundation and its subsidiary is exposed to as reduction of royalty income, staffing requirements, trustee succession, failure of technology, premises and archives destruction. These risks have been reviewed and systems and procedures have been established to manage them and where necessary insurance is in place.

### **Financial Review**

During the year the Foundation received a gift aid payment from its subsidiary of £213,051 (2021: £124,994).

At the balance sheet date the Foundation (charity only) had total unrestricted net funds of £729,434 (2021: £570,136) represented by £280,420 cash and creditors of £ 5,875 (2021: £5,500). The Foundation has investments of £454,890 including an investment in its subsidiary David Lean Films Ltd of £112,815.

On consolidation at the balance sheet date, the Foundation and Films (the group) had total net funds of £924,399 (2021: £814,043) represented by £477,875 of fixed assets, £460,909 of cash less accruals of £14,385.

### **Reserves Policy**

The Trustees treat the value of the royalty rights of the subsidiary, which provides its principal source of income, as non-distributable.

Having regard to the relative limited expenses of the Foundation the trustees have adopted the policy that the reserves should be net cash in excess of the £25,000 of the Foundation cash after providing for creditors and grant commitments.

At 31 December 2022 the surplus held was £274,545.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England 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 methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the requirements of the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

RSM UK Audit LLP, Chartered Accountants, have offered themselves for re-election as auditors of the Foundation.

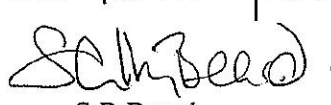
### Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

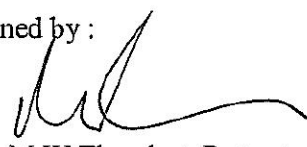
Approved by the Trustees on 15 May 2023 and signed by :



A A Reeves  
Trustee



S R Beard  
Trustee



M W Thowless-Reeves  
Trustee

# THE DAVID LEAN FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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### **Opinion**

We have audited the financial statements of The David Lean Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### **Conclusions relating to going concern**

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 charity'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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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**Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

THE DAVID LEAN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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In Identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence local tax authorities and evaluating advice received from internal/external advisors.

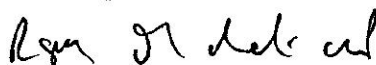
The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
103 Colmore Row  
Birmingham  
West Midlands B3 3AG



Date 13 June 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2022

	Note	Unrestricted Funds	Endowment Fund	2022 Total Funds	2021 Total Funds
		£	£	£	£
<b>Income</b>					
Royalties receivable		213,968		213,968	182,505
Donations		-		-	60,000
Investment income		8,535	91	8,626	8,451
<b>Total income</b>		<b>222,503</b>	<b>91</b>	<b>222,594</b>	<b>250,956</b>
<b>Expenditure on :</b>					
Raising funds	1a	63,812	-	63,812	81,692
Expenditure on Charitable		30,908	3,191	34,099	114,035
<b>Total Expenditure</b>		<b>94,720</b>	<b>3,191</b>	<b>97,911</b>	<b>195,727</b>
Net gains/(losses) on investments		-	(14,327)	(14,327)	37,514
<b>Net movement in funds</b>	9	<b>127,783</b>	<b>(17,427)</b>	<b>110,356</b>	<b>92,743</b>
<b>Reconciliation of funds</b>					
Fund balances 1 January 2022		413,416	400,627	814,043	721,300
<b>Fund balances 31 December 2022</b>		<b>541,199</b>	<b>383,200</b>	<b>924,399</b>	<b>814,043</b>

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2022

	Note	2022 Unrestricted Funds £	2022 Endowment Funds £	2022 Total Funds £	2021 Total Funds £
<b>Income</b>					
Donations					60,000
Gift Aid donations	1b	213,051		213,051	124,994
Investment income		6,822	91	6,913	8,451
<b>Total income</b>		219,873	91	219,964	193,445
<b>Expenditure</b>					
Expenditure on Charitable activities	2	43,148	3,191	46,339	126,274
<b>Total Expenditure</b>		43,148	3,191	46,339	126,274
Net gains on investments			(14,327)	(14,327)	37,514
<b>Net movement in funds</b>		176,725	(17,427)	159,298	104,685
<b>Reconciliation of funds</b>					
Fund balances 1 January 2022		169,509	400,627	570,136	465,451
<b>Fund balances 31 December 2022</b>		346,234	383,200	729,434	570,136

The incoming resources and resources expended derive from continuing operations.  
All gains and losses are included within the Statement of Financial Activities for the year.

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**


As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Film rights	3	135,800	148,040
Investments	4	<u>342,075</u> 477,875	<u>342,394</u> 490,434
<b>Current assets</b>			
Cash at bank and in hand	5	<u>460,909</u> 460,909	<u>382,809</u> 382,809
<b>Creditors: amounts falling due within one year</b>	6	<u>(14,385)</u>	<u>(59,200)</u>
<b>Net current assets</b>		<u>446,524</u>	<u>323,609</u>
<b>Total assets less current liabilities</b>		924,399	813,043
<b>Creditors: amounts falling due after more than one year</b>	7	-	-
<b>Net assets</b>		<u>924,399</u>	<u>814,043</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	383,200	400,627
Unrestricted funds	9	541,199	413,416
<b>Total charity funds</b>	9	<u>924,399</u>	<u>814,043</u>

These financial statements were approved by the trustees and authorised for issue on 15 May 2023.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

  
M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2022

	Note	2022	2021
		£	£
<b>Fixed assets</b>			
Investments in subsidiary	4a	112,815	125,055
Investments	4	<u>342,075</u>	<u>342,394</u>
		454,890	467,449
<b>Current assets</b>			
Cash at bank and in hand		<u>280,420</u>	<u>155,187</u>
<b>Creditors: amounts falling due within one year</b>	6	(5,875)	<u>(52,500)</u>
<b>Net current assets</b>		<u>274,545</u>	<u>(102,687)</u>
<b>Total assets less current liabilities</b>		729,435	570,136
<b>Creditors: amounts falling due after more than one year</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>729,435</u>	<u>570,136</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	383,200	400,627
Unrestricted funds	9	346,235	169,509
		<u>          </u>	<u>          </u>
<b>Total charity funds</b>	9	<u>729,435</u>	<u>570,136</u>

These financial statements were approved by the trustees and authorised for issue on 15 May 2023.



AA Reeves  
Trustee



S R Beard  
Trustee



M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
at 31 December 2022

	2022	2021
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the reporting period	110,356	92,743
Investment losses/(gains)	14,327	(37,514)
(Decrease) in creditors	(44,815)	(17,726)
Investment income received	(222,594)	(250,956)
Amortisation	12,240	12,240
	<hr/>	<hr/>
<b>NET INCOME USED IN OPERATING ACTIVITIES</b>	<b>(130,486)</b>	<b>(201,213)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Donations	-	60,000
Investment income received	6,822	8,451
Interest received	1,804	-
Royalties received	213,968	182,505
	<hr/>	<hr/>
	222,594	250,956
Proceeds from sale of investments	121,939	108,429
Purchase of investments	(135,947)	(69,022)
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(14,008)</b>	<b>39,407</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		
	78,100	89,150
Cash and cash equivalents at the beginning of the reporting period	382,809	293,659
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>460,909</b>	<b>382,809</b>
	<hr/>	<hr/>

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

#### **Basis of Preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### **Basis of Consolidation**

The consolidated financial statements comprise the Foundation and its trading subsidiary David Lean Films Limited (the Group). The summarised profit and loss account of David Lean Films Limited is recorded in note 1.

#### **Going Concern**

The Trustees have reviewed the incoming resources and expenditure of the Foundation and believe that there are adequate resources which will enable the Foundation to meet its liabilities for at least one year from the date the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

#### **Funds Structure**

The Foundation has a single permanent endowment, which required the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted. The endowment funds are used to support charities whose objects and activities are similar to those of the charity described in the Trustees' Report on page 2.

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include funds committed by the charity for grants.

ACCOUNTING POLICIES

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**Incoming Resources**

Income is recognised when received. No funds have been received which are restricted.

**Resources expended**

Expenditure is charged inclusive of irrecoverable value added tax. Direct charitable expenditure (grants payable) comprises those payments directly incurred in pursuance of the Foundation's charitable activities.

**Grant Making Policies**

The grant making policy is explained in the Trustees report and is effected by regular contact with the recipient national UK charities. Applications from other charities and organisations if received, are treated on an individual basis consistent with the adopted policy of the Foundation.

**Investments and Intangible Assets**

The Film rights are classified as intangible assets. The directors of the trading subsidiary reconsidered the useful economic life of the film rights at 1 January 2014, and as a result it was resolved that the then remaining useful life was 20 years.

The investments relate to the trading subsidiary and have been impaired in line with the life of the film rights.

**Impairment of Fixed Assets**

At each reporting end date, the Foundation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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#### **Heritage assets**

The Foundation holds a collection of the screenplays and title documents to all of the films directed by Sir David Lean together with photographs, awards, correspondence and a library of books. The Foundation has also deposited on loan other archival material with the British Film Institute National Archive.

Both collections are available for research purposes and have significant intrinsic value relating to the films of David Lean. There is no material cost attributable to these collections and conventional valuation techniques would be inappropriate, so as a result no value is included in the financial statements. As a consequence these collections are deemed to fall within the definition of heritage assets. Expenditure required to accommodate and preserve the collections is recognised in the SOFA when it is incurred.

#### **Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

#### **Taxation**

The Foundation is recognised as a charity by HM Inland Revenue [EW70618]. It is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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#### **Financial instruments**

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the statement of financial position when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Other financial assets, including endowment investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price. The Foundation only has basic financial liabilities.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1a. **Income Group: Net income from trading activities and subsidiary**

The Foundation has a wholly owned trading subsidiary, David Lean Films Limited (Subsidiary), which collects film royalties, administers its own funds and makes gift aid distribution to the Foundation.

David Lean Films Limited is incorporated in the UK. It transfers its distributable profits by gift aid to the Foundation. A summary of its trading results for the year is shown below.

Financial statements for the subsidiary are filed with the Registrar of Companies.

	2022	2021
	£	£
Profit and Loss Account		
Turnover – Royalties	213,968	182,505
Cost of Sales	<u>(46,572)</u>	<u>(64,454)</u>
<b>Gross Profit</b>	167,396	118,051
<b>Administration expenses</b>	(5,000)	(5,000)
Amortisation of Intangibles	<u>(12,240)</u>	<u>(12,240)</u>
<b>Operating profit</b>	150,156	100,811
Interest receivable	1,713	-
	-----	-----
<b>Profit on Ordinary</b>		
<b>Activities Before Taxation</b>	151,869	100,811
Tax on Profit on Ordinary Activities		-
	-----	-----
<b>Profit for the Financial Year</b>	151,869	100,811
	-----	-----
Total equity/assets of the subsidiary	151,869	100,811
	-----	-----

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2022

1b. **Income charity: Donations**

	2022	2021
	£	£
Gift Aid distribution from Subsidiary - unrestricted	213,051	124,994
Donations - restricted	-	60,000
	<hr/>	<hr/>
Total Donations	<u>213,051</u>	<u>184,994</u>

2. **Resources expended**

Analysis of Grants	£	£
Grants committed at 31 December 2021		47,000
Grant reductions/adjustments	(47,000)	
Grants committed in 2022	<u>39,265</u>	<u>(7,735)</u>
		39,265
Grants paid in 2022		
Existing grants paid in 2022	-	
New grants paid in 2022	(39,265)	(39,265)
		<hr/>
Total grants committed at 31 December 2022		-
		<hr/>

Details of grants paid and committed are listed in appendix 1.

The Trustees have not received any remuneration from and have not been reimbursed by the Foundation for any expenses in the year, and there are no employees.

Total unrestricted consolidated charitable costs of £30,908 (2021: £110,652) include £39,265 grants payable and grant reductions of £47,000 (2021: £74,613) and support costs of £38,642 (2021: £35,949).

The Foundation's unrestricted charitable cost of £43,148 (2021: £122,802) includes £39,265 grants payable and grant reductions of £47,000 (2021: £74,613) and support costs of £50,882 (2021: £48,189).

Restricted administration and support costs included in charitable activities costs total £3,191 (2021: £3,473).

The amount payable for the audit is £9,550 (2021: £9,200) and for tax fees £4,560 (2021: £3,000).

THE DAVID LEAN FOUNDATION

NOTE TO THE FINANCIAL STATEMENTS

For 12 months to 31 December 2022

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<b>3. Intangible Fixed Assets Group</b>	Film Rights £
Cost at beginning and end of year	<u>482,365</u>
Amortisation	
At beginning of year	334,325
Charge for 12 months to 31 December 2022	12,240
	<hr/>
To 31 December 2022	346,565
	<hr/>
Net book value	
At 31 December 2022	135,800
	<hr/>
At 31 December 2021	148,040
	<hr/>
<b>4 Fixed asset investments</b>	
	Equities £
At beginning of year	342,394
(Losses)/gains	(14,327)
Additions/disposals	135,947
Disposals at carrying value	(121,939)
	<hr/>
At end of year 31 December 2022	<u>342,075</u>
	<hr/>

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**4a Investment in subsidiary**

The Foundation owns the entire issued ordinary share capital of David Lean Films Limited, (registered numbered 3429283) a company incorporated in England and Wales.

	£
Cost at beginning and end of year	474,065
Impairment	
At the beginning of year	349,010
Charge for the year	12,240
At end of year	361,250
Net book value	
At 31 December 2022	<u>112,815</u>
At 31 December 2021	<u>125,055</u>

The financial information of the subsidiary undertaking David Lean Films Limited for the year ended 31 December 2021 is shown in note 1a.

**5. Cash at bank**

	Group		Foundation	
	2022	2021	2022	2021
	£	£	£	£
Current	419,508	324,576	239,019	96,954
Endowment	41,401	58,233	41,401	58,233
	<u>460,909</u>	<u>382,809</u>	<u>280,420</u>	<u>155,187</u>

All current cash forms part of unrestricted funds of which £nil (2021: £52,500) is committed to grants within one year.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

**6. Creditors: amounts falling due within one year**

	Group		Foundation	
	2022	2021	2022	2021
	£	£	£	£
Grants committed	-	47,000	-	47,000
Accruals	14,385	12,200	5,875	5,500
	<u>14,385</u>	<u>59,200</u>	<u>5,875</u>	<u>52,500</u>

**7. Creditors: amounts falling due after more than one year**

	Group		Foundation	
	2022	2021	2022	2021
	£	£	£	£
Grants committed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**8. Analysis of charitable funds**

	Brought forward	Income	Expenditure	Gains/losses	Carried forward
	£	£	£	£	£
Endowment	400,627	91	(3,191)	(14,327)	383,200
Unrestricted Funds	413,416	222,503	(94,720)	-	541,199
	<u>814,043</u>	<u>222,594</u>	<u>(97,911)</u>	<u>(14,327)</u>	<u>924,399</u>

## THE DAVID LEAN FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

#### 9. Analysis of net asset between funds

	Investments	Cash at bank	Creditors	Net assets
	£	£	£	£
Endowment	342,075	41,401	(276)	383,200
Unrestricted	135,800	419,508	(14,109)	541,199
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	477,875	460,909	(14,385)	924,399
	<hr/>	<hr/>	<hr/>	<hr/>

#### 10. Unrestricted funds

The Foundation's principal source of income is royalties rights from three of the major films directed by Sir David Lean. These royalties and of other rights Sir David Lean films are uncertain in amount and duration and depend (inter alia) upon their promotion.

#### 11. Commitments

When the Trustees have resolved to make a charitable grant and have communicated this decision to the recipient the amount committed is then treated as a creditor. No grants have been awarded subject to such conditionally that would require them not to be treated as a creditor.

#### 12. Related Party Transactions

The Foundation received a gift aid distribution from its subsidiary David Lean Films Ltd of £213,051 (2021: £124,994).

S R Beard, a trustee of the Foundation and director of David Lean Films Ltd, is a director and the principal shareholder of Peter Smith (Farms) Ltd a company which, during the year received from the Foundation £55,771 (2021: £72,000) for providing office, accounting and administration services to the Foundation and David Lean Films Ltd. The amount outstanding at the year-end was £nil (2021 £nil).

The total remuneration of the Trustees of the Foundation and the directors of David Lean Films Ltd was £nil (2021: £nil).

Mr A A Reeves, a director of the David Lean Films Ltd, is entitled to a commission on the royalties received from "A Passage to India" and in 2022 received £172 (2021 £165).

MW Thowless-Reeves a trustee of the Foundation is the senior partner and designated member of Sorbus Partners LLP, who act as investment managers to the Foundation. He is also a son of AA Reeves, a trustee of the Foundation. During the year the Foundation was charged £3,191 (2021: £3,473) for investment manager fees for managing the investment portfolio on behalf of the Foundation.

THE DAVID LEAN FOUNDATION

APPENDIX 1  
31 December 2022

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Grants and commitments	2022	
	Grants paid £	Future commitments £
British Academy of Film and Television Arts	20,000	-
Carnforth Railway/Heritage Centre	14,000	-
The Arts Fund	2,500	-
Royal Academy of Arts	2,050	-
National Film and Television School	715	-
Total	<u>39,265</u>	<u>-</u>

The total grants made since the establishment of the Foundation in 1997 was £5.8m.

THE DAVID LEAN FOUNDATION

APPENDIX 2

31 December 2022

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Grants

£

1998-2000	195,369
2001-2005	1,572,269
2006-2010	1,649,064
2011-2015	1,187,389
2016-2020	1,082,821
2021-2022	129,848

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5,816,761

Commitments

-

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5,816,761

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**THE DAVID LEAN FOUNDATION**

England & Wales - Charity number 1067074

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# Accounts

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THE DAVID LEAN FOUNDATION

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TRUSTEES' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

31 December 2021

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# THE DAVID LEAN FOUNDATION

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## CONTENTS

Report of the Trustees	1
Trustees' Responsibilities in the Preparation of the Financial statements	5
Independent Auditor's Report to the Trustees	6
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THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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<b>Legal Entity</b>	The David Lean Foundation
<b>Governing Instrument</b>	Deed of Trust 19 November 1997
<b>Trustees</b>	Anthony Alan Reeves Sally Ruth Beard Max William Thowless-Reeves
<b>Auditors</b>	RSM UK Audit LLP St Philips Point Temple Row Birmingham
<b>Bankers</b>	Handelsbanken plc 1 Lakeside Festival Park Stoke on Trent
<b>Investment Managers</b>	Sorbus Partners 41a Eastgate Street Stafford
<b>Legal Advisers</b>	Freeths LLP 80 Cumberland Place Mount Street Nottingham
<b>Registered Office</b>	The Bradshaws Codsall Staffordshire
<b>Charity</b>	1067074  Registered 23/12/1997
<b>HMRC</b>	EW70618

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Trustees**

The trustees have responsibility for the management of the Foundation. There is no minimum or maximum number of trustees prescribed by the trust deed. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The trustees are responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity.

The income of the Foundation depends upon the gift aid distribution from its trading subsidiary David Lean Films Limited which it derives its income from royalties received from Sir David Lean's films. The Trustees are the only directors of the subsidiary.

All decisions of the Foundation are taken by all of the trustees. The trustees review, on a regular basis gift aid income, available funds and current and pending commitments to make grants that in principle fall within the grant policy.

### **Objectives and Activities**

The objectives of the Foundation are:

- to promote and advance education and to cultivate and improve public taste in the visual arts in particular by stimulating original and creative work in the field of film production in particular including screenplay writing and film direction and film editing by encouraging a high standard of art and technique in persons engaged in such film production and by encouraging and promoting the improvement of the standard of the arts, sciences and techniques of fiction film making.
- to benefit such charitable institutions or other charitable object or objects as the Trustees shall in their absolute discretion think fit to support or establish.

In pursuance of the objectives the trustees have powers

- to further the preservation and public exhibition of films including those films directed by Sir David Lean
- to encourage and sponsor education publications and promote exhibitions and lectures and generally to disseminate knowledge of the art and technique of film making by means of the reading of papers, delivery of lectures, giving of advice or otherwise
- to co-operate with educational establishments and other charities to procure the better appreciation and understanding of films and the arts.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Aims**

The Foundation's grants are awarded to other charitable institutions whose aims include those similar to those of the Foundation principally the National Film and Television School, the British Film Institute and the British Academy of Film and Television Arts.

The Foundation aims to achieve its objectives by both making grants and encouraging recipient organisations to improve their governance and performance. Recipients of grants from the Foundation are required, as a pre-condition of receiving the grant, to provide a report as to the use of the grant and the results

The grant policy is not to make individual scholarship or other grants not related to the objects of the Foundation.

### **Achievements**

During 2021 David Lean Films Ltd received royalties of £182,505 (2020: £176,718) from the films of David Lean.

The total outstanding commitments at the balance sheet date were £47,000 payable in the years 2022 to 2023 (see note 2 and appendix 1).

Since establishment the Foundation has made grants of £5,777,496 towards its objectives and at the end of the year had grant commitments of £47,000.

### **Future Plans**

The trustees intend to continue expending the charity's incoming resources by making grants as reported under "Aims" above.

### **Public Benefit**

The trustees comply with the duty in the Charities Act 2011 and have regard to guidance published by the Charity Commission as regards public benefit requirements by making grants to national charities.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Risks**

The Foundation's principal current and future source of income is gift aid from the distributable profits of its trading subsidiary's royalties from the films directed by Sir David Lean. The royalties are uncertain in amount and duration and depend upon the promotion of such films in all media.

The Foundation has a risk policy. The policy identifies the major risks to which the Foundation and its subsidiary is exposed to as reduction of royalty income, staffing requirements, trustee succession, failure of technology, premises and archives destruction. These risks have been reviewed and systems and procedures have been established to manage them and where necessary insurance is in place.

### **Financial Review**

During the year the Foundation received a gift aid payment from its subsidiary of £124,994 (2020: £46,091) and £60,000 donation from a third party.

At the balance sheet date the Foundation (charity only) had total unrestricted net funds of £570,136 (2020: £465,451) represented by £155,187 cash less commitments of £47,000 and creditors of £5,500 (2020: £4,950). The Foundation has investments of £467,449 including an investment in its subsidiary David Lean Films Ltd of £125,055.

On consolidation at the balance sheet date, the Foundation and Films (the group) had total net funds of £814,043 (2020: £721,300) represented by £490,434 of fixed assets, £382,809 of cash less commitments of £47,000 and accruals of £12,200.

### **Reserves Policy**

The Trustees treat the value of the royalty rights of the subsidiary, which provides its principal source of income, as non-distributable.

Having regard to the relative limited expenses of the Foundation the trustees have adopted the policy that the reserves should be net cash in excess of the £25,000 of the Foundation cash after providing for creditors and grant commitments.

At 31 December 2021 the surplus held was £102,687.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England 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 methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the requirements of the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

RSM UK Audit LLP, Chartered Accountants, have offered themselves for re-election as auditors of the Foundation.

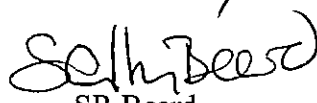
### Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Approved by the Trustees on 25 May 2022 and signed by :



M W Thowless-Reeves  
Trustee



SR Beard  
Trustee



M W Thowless-Reeves  
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVID LEAN  
FOUNDATION

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**Opinion**

We have audited the financial statements of The David Lean Foundation (the 'charity') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and parent charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2021 and of their 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 Charities Act 2011.

**Basis for opinion**

We have been appointed as auditors under section 152 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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 group's or parent charity'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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## THE DAVID LEAN FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVID LEAN FOUNDATION

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operate in and how the group and parent charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

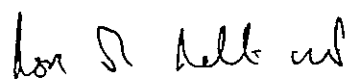
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF  
Date 9 June 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2021

	Note	Unrestricted Funds	Endowment Fund	2021 Total Funds	2020 Total Funds
		£	£	£	£
<b>Income</b>					
Royalties receivable		182,505		182,505	176,718
Donations		60,000		60,000	-
Investment income		8,451		8,451	7,096
<b>Total income</b>		<b>250,956</b>	<b>-</b>	<b>250,956</b>	<b>183,814</b>
<b>Expenditure on :</b>					
Raising funds	1a	81,692	-	81,692	64,337
Expenditure on Charitable		110,562	3,473	114,035	85,632
<b>Total Expenditure</b>		<b>192,254</b>	<b>3,473</b>	<b>195,727</b>	<b>149,969</b>
Net gains/(losses) on investments			37,514	37,514	1,341
<b>Net movement in funds</b>	9	<b>58,702</b>	<b>34,041</b>	<b>92,743</b>	<b>35,186</b>
<b>Reconciliation of funds</b>					
Fund balances 1 January 2021		354,714	366,586	721,300	686,114
<b>Fund balances 31 December 2021</b>		<b>413,416</b>	<b>400,627</b>	<b>814,043</b>	<b>721,300</b>

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2021

	Note	2021 Unrestricted Funds	2021 Endowment Funds	2021 Total Funds	2020 Total Funds
		£	£	£	£
<b>Income</b>					
Donations		60,000	-	60,000	-
Gift Aid donations	1b	124,994	-	124,994	46,091
Investment income		8,451	-	8,451	6,723
<b>Total income</b>		193,445	-	193,445	52,814
<b>Expenditure</b>					
Expenditure on Charitable activities	2	122,801	3,473	126,274	97,872
<b>Total Expenditure</b>		122,801	3,473	126,274	97,872
Net gains on investments			37,514	37,514	1,341
<b>Net movement in funds</b>		70,644	34,041	104,685	(43,718)
<b>Reconciliation of funds</b>					
Fund balances 1 January 2021		98,865	366,586	465,451	509,169
<b>Fund balances 31 December 2021</b>		169,509	400,627	570,136	465,451

The incoming resources and resources expended derive from continuing operations.  
All gains and losses are included within the Statement of Financial Activities for the year.

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**


As at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Film rights	3	148,040	160,780
Investments	4	<u>342,394</u> 490,434	<u>344,287</u> 504,567
<b>Current assets</b>			
Cash at bank and in hand <sup>5</sup>		<u>382,809</u> 382,809	<u>293,659</u> 293,659
<b>Creditors: amounts falling due within one year</b>	6	(59,200)	<u>(76,926)</u>
<b>Net current assets</b>		<u>323,609</u>	<u>216,732</u>
<b>Total assets less current liabilities</b>		814,043	721,300
<b>Creditors: amounts falling due after more than one year</b>	7	-	-
<b>Net assets</b>		<u>814,043</u>	<u>721,300</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	400,627	366,586
Unrestricted funds	9	413,416	354,714
<b>Total charity funds</b>	9	<u>814,043</u>	<u>721,300</u>

These financial statements were approved by the trustees and authorised for issue on 25 May 2022.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

  
M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021	2020
		£	£
<b>Fixed assets</b>			
Investments in subsidiary	4a	125,055	137,295
Investments	4	<u>342,394</u>	<u>344,287</u>
		467,449	481,582
<b>Current assets</b>			
Cash at bank and in hand		<u>155,187</u>	<u>51,789</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(52,500)</u>	<u>(67,921)</u>
<b>Net current assets</b>		<u>102,687</u>	<u>(16,131)</u>
<b>Total assets less current liabilities</b>		570,136	465,451
<b>Creditors: amounts falling due after more than one year</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>570,136</u>	<u>465,451</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	400,627	366,585
Unrestricted funds	9	169,509	98,866
		<u>          </u>	<u>          </u>
<b>Total charity funds</b>	9	<u>570,136</u>	<u>465,451</u>

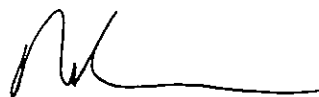
These financial statements were approved by the trustees and authorised for issue on 25 May 2022.



AA Reeves  
Trustee



S R Beard  
Trustee



M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
at 31 December 2021

	2021	2020
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the reporting period	92,743	35,186
Investment (gains)/losses	(37,514)	(1,341)
(Decrease) in creditors	(17,726)	(18,598)
Investment income received	(250,956)	(183,814)
Amortisation	12,240	12,240
	<hr/>	<hr/>
<b>NET INCOME USED IN OPERATING ACTIVITIES</b>	<b>(201,213)</b>	<b>(156,327)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Donations	60,000	-
Investment income received	8,451	6,678
Interest received	-	418
Royalties received	182,505	176,718
	<hr/>	<hr/>
	250,956	183,814
Proceeds from sale of investments	108,429	53,083
Purchase of investments	(69,022)	(46,989)
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>39,407</b>	<b>6,094</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	<b>89,150</b>	<b>33,581</b>
Cash and cash equivalents at the beginning of the reporting period	293,659	260,078
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>382,809</b>	<b>293,659</b>
	<hr/>	<hr/>

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

#### **Basis of Preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### **Basis of Consolidation**

The consolidated financial statements comprise the Foundation and its trading subsidiary David Lean Films Limited (the Group). The summarised profit and loss account of David Lean Films Limited is recorded in note 1.

#### **Going Concern**

The Trustees have reviewed the incoming resources and expenditure of the Foundation and believe that there are adequate resources which will enable the Foundation to meet its liabilities for at least one year from the date the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

#### **Funds Structure**

The Foundation has a single permanent endowment, which required the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted. The endowment funds are used to support charities whose objects and activities are similar to those of the charity described in the Trustees' Report on page 2.

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include funds committed by the charity for grants.

# THE DAVID LEAN FOUNDATION

## ACCOUNTING POLICIES

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### **Incoming Resources**

Income is recognised when received. No funds have been received which are restricted.

### **Resources expended**

Expenditure is charged inclusive of irrecoverable value added tax. Direct charitable expenditure (grants payable) comprises those payments directly incurred in pursuance of the Foundation's charitable activities.

### **Grant Making Policies**

The grant making policy is explained in the Trustees report and is effected by regular contact with the recipient national UK charities. Applications from other charities and organisations if received, are treated on an individual basis consistent with the adopted policy of the Foundation.

### **Investments and Intangible Assets**

The Film rights are classified as intangible assets. The directors of the trading subsidiary reconsidered the useful economic life of the film rights at 1 January 2014, and as a result it was resolved that the then remaining useful life was 20 years.

The investments relate to the trading subsidiary and have been impaired in line with the life of the film rights.

### **Impairment of Fixed Assets**

At each reporting end date, the Foundation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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#### **Heritage assets**

The Foundation holds a collection of the screenplays and title documents to all of the films directed by Sir David Lean together with photographs, awards, correspondence and a library of books. The Foundation has also deposited on loan other archival material with the British Film Institute National Archive.

Both collections are available for research purposes and have significant intrinsic value relating to the films of David Lean. There is no material cost attributable to these collections and conventional valuation techniques would be inappropriate, so as a result no value is included in the financial statements. As a consequence these collections are deemed to fall within the definition of heritage assets. Expenditure required to accommodate and preserve the collections is recognised in the SOFA when it is incurred.

#### **Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

#### **Taxation**

The Foundation is recognised as a charity by HM Inland Revenue [EW70618]. It is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

---

#### **Financial instruments**

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the statement of financial position when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Other financial assets, including endowment investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price. The Foundation only has basic financial liabilities.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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1a. **Income Group: Net income from trading activities and subsidiary**

The Foundation has a wholly owned trading subsidiary, David Lean Films Limited (Subsidiary), which collects film royalties, administers its own funds and makes gift aid distribution to the Foundation.

David Lean Films Limited is incorporated in the UK. It transfers its distributable profits by gift aid to the Foundation. A summary of its trading results for the year is shown below.

Financial statements for the subsidiary are filed with the Registrar of Companies.

	2021 £	2020 £
Profit and Loss Account		
Turnover – Royalties	182,505	176,718
Cost of Sales	<u>(64,454)</u>	<u>(47,097)</u>
<b>Gross Profit</b>	118,051	129,621
Administration expenses	(5,000)	(5,000)
Amortisation of Intangibles	<u>(12,240)</u>	<u>(12,240)</u>
<b>Operating profit</b>	100,811	112,381
Interest receivable	-	373
	-----	-----
<b>Profit on Ordinary</b>		
<b>Activities Before Taxation</b>	100,811	112,754
Tax on Profit on Ordinary Activities	-	-
	-----	-----
<b>Profit for the Financial Year</b>	100,811	112,754
	-----	-----
Total equity/assets of the subsidiary	100,811	112,754
	-----	-----

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For 12 months to 31 December 2021

1b. **Income charity: Donations**

	2021	2020
	£	£
Gift Aid distribution from Subsidiary - unrestricted	124,994	46,091
Donations - restricted	60,000	-
	<u>          </u>	<u>          </u>
Total Donations	<u>184,994</u>	<u>46,091</u>

2. **Resources expended**

Analysis of Grants	£	£
Grants committed at 31 December 2020		62,971
Grant reductions/adjustments		-
Grants committed in 2021	<u>74,613</u>	<u>74,613</u>
		137,584
Grants paid in 2021		
Existing grants paid in 2021	(15,971)	
New grants paid in 2021	(74,613)	(90,584)
		<u>          </u>
Total grants committed at 31 December 2021		<u>47,000</u>

Details of grants paid and committed are listed in appendix 1.

The Trustees have not received any remuneration from and have not been reimbursed by the Foundation for any expenses in the year, and there are no employees.

Total unrestricted consolidated charitable costs of £110,652 (2020: £83,083) include £74,613 grants payable (2020: £52,500) and support costs of £35,949 (2020: £30,583).

The Foundation's unrestricted charitable cost of £122,802 (2020: £95,323) includes £74,613 grants payable (2020: £52,500) and support costs of £48,189 (2020: £42,823).

Restricted administration and support costs included in charitable activities costs total £ 3,473 (2020: £2,549).

The amount payable for the audit is £9,200 (2020:£8,625) and for tax fees £3,000 (2020:£2,450).

THE DAVID LEAN FOUNDATION

NOTE TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2021

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<b>3. Intangible Fixed Assets Group</b>	Film Rights £
Cost at beginning and end of year	<u>482,365</u>
Amortisation	
At beginning of year	322,085
Charge for 12 months to 31 December 2021	12,240
To 31 December 2021	<u>334,325</u>
Net book value	
At 31 December 2021	<u>148,040</u>
At 31 December 2020	<u>160,280</u>
<b>4 Fixed asset investments</b>	Equities £
At beginning of year	344,287
Gains/(losses)	37,514
Additions/disposals	69,022
Disposals at carrying value	(108,429)
At end of year 31 December 2021	<u>342,394</u>

# THE DAVID LEAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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### 4a Investment in subsidiary

The Foundation owns the entire issued ordinary share capital of David Lean Films Limited, (registered numbered 3429283) a company incorporated in England and Wales.

Cost at beginning and end of year	£ 474,065
Impairment	
At the beginning of year	336,770
Charge for the year	12,240
At end of year	349,010
Net book value	
At 31 December 2021	125,055
At 31 December 2020	<u>137,295</u>

The financial information of the subsidiary undertaking David Lean Films Limited for the year ended 31 December 2021 is shown in note 1a.

### 5. Cash at bank

	Group		Foundation	
	2021	2020	2021	2020
	£	£	£	£
Current	324,576	271,360	96,954	29,491
Endowment	58,233	22,299	58,233	22,299
	<u>382,809</u>	<u>293,659</u>	<u>155,187</u>	<u>51,789</u>

All current cash forms part of unrestricted funds of which £52,500 (2020: £62,971) is committed to grants within one year.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

**6. Creditors: amounts falling due within one year**

	Group		Foundation	
	2021 £	2020 £	2021 £	2020 £
Grants committed	47,000	62,971	47,000	62,971
Accruals	12,200	13,955	5,500	4,950
	<u>59,200</u>	<u>76,926</u>	<u>52,500</u>	<u>67,921</u>

**7. Creditors: amounts falling due after more than one year**

	Group		Foundation	
	2021 £	2020 £	2021 £	2020 £
Grants committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**8. Analysis of charitable funds**

	Brought forward £	Income £	Expenditure £	Gains/losses £	Carried forward £
Endowment	366,586	-	(3,473)	37,514	400,627
Unrestricted Funds	354,714	250,956	(192,254)	-	413,416
	<u>721,300</u>	<u>250,956</u>	<u>(195,727)</u>	<u>37,514</u>	<u>814,043</u>

# THE DAVID LEAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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### 9. Analysis of net asset between funds

	Investments	Cash at bank	Creditors	Net assets
	£	£	£	£
Endowment	342,394	58,233	-	400,627
Unrestricted	148,040	324,576	(59,200)	413,416
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	490,434	382,809	(59,200)	814,043
	<hr/>	<hr/>	<hr/>	<hr/>

### 10. Unrestricted funds

The Foundation's principal source of income is royalties rights from three of the major films directed by Sir David Lean. These royalties and of other rights Sir David Lean films are uncertain in amount and duration and depend (inter alia) upon their promotion.

### 11. Commitments

When the Trustees have resolved to make a charitable grant and have communicated this decision to the recipient the amount committed is then treated as a creditor. No grants have been awarded subject to such conditionally that would require them not to be treated as a creditor.

### 12. Related Party Transactions

The Foundation received a gift aid distribution from its subsidiary David Lean Films Ltd of £124,994 (2020: £46,091).

SR Beard, a trustee of the Foundation and director of David Lean Films Ltd, is a director and the principal shareholder of Peter Smith (Farms) Ltd a company which, during the year received from the Foundation £72,000 (2020: £67,200) for providing office, accounting and administration services to the Foundation and David Lean Films Ltd. The amount outstanding at the year-end was £nil (2020 £nil).

The total remuneration of the Trustees of the Foundation and the directors of David Lean Films Ltd was £nil (2020: £nil).

Mr A A Reeves, a director of the David Lean Films Ltd, is entitled to a commission on the royalties received from "A Passage to India" and in 2021 received £165 (2020 £364).

MW Thowless-Reeves a trustee of the Foundation is the senior partner and designated member of Sorbus Partners LLP, who act as investment managers to the Foundation. He is also a son of AA Reeves, a trustee of the Foundation. During the year the Foundation was charged £3,473 (2020: £2,550) for investment manager fees for managing the investment portfolio on behalf of the Foundation.

THE DAVID LEAN FOUNDATION

APPENDIX 1  
31 December 2021

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Grants and commitments	2021	
	Grants paid £	Future commitments £
British Academy of Film and Television Arts		15,000
British Film Institute	68,500	32,000
National Film and Television School	15,583	
The Arts Fund	6,500	
Total	<u>90,583</u>	<u>47,000</u>

The total grants made since the establishment of the Foundation in 1997 was £5.7m

THE DAVID LEAN FOUNDATION

APPENDIX 2  
31 December 2021

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Grants	£
1998-2000	195,369
2001-2005	1,572,269
2006-2010	1,649,064
2011-2015	1,187,389
2016-2020	1,082,821
2021	90,583
	<hr/>
	5,777,496
Commitments	47,000
	<hr/>
	5,824,496
	<hr/>

**THE DAVID LEAN FOUNDATION**

England & Wales - Charity number 1067074

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# Accounts

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THE DAVID LEAN FOUNDATION

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TRUSTEES' REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

31 December 2020

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# THE DAVID LEAN FOUNDATION

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## REPORT OF THE TRUSTEES

THE DAVID LEAN FOUNDATION

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<b>Legal Entity</b>	The David Lean Foundation
<b>Governing Instrument</b>	Deed of Trust 19 November 1997
<b>Trustees</b>	Anthony Alan Reeves Sally Ruth Beard Max William Thowless-Reeves
<b>Auditors</b>	RSM UK Audit LLP St Philips Point Temple Row Birmingham
<b>Bankers</b>	Handelsbanken plc 1 Lakeside Festival Park Stoke on Trent
<b>Investment Managers</b>	Sorbus Partners 41a Eastgate Street Stafford
<b>Legal Advisers</b>	Freeths LLP Federation House Station Road Stoke on Trent
<b>Registered Office</b>	The Bradshaws Codsall Staffordshire
<b>Charity</b>	1067074 Registered 23/12/1997
<b>HMRC</b>	EW70618

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Trustees**

The trustees have responsibility for the management of the Foundation. There is no minimum or maximum number of trustees prescribed by the trust deed. Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The trustees are responsible for the induction of any new trustee which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity.

The income of the Foundation depends upon the gift aid distribution from its trading subsidiary David Lean Films Limited which it derives its income from royalties received from Sir David Lean's films. The Trustees are the only directors of the subsidiary.

All decisions of the Foundation are taken by all of the trustees. The trustees review, on a regular basis gift aid income, available funds and current and pending commitments to make grants that in principle fall within the grant policy.

### **Objectives and Activities**

The objectives of the Foundation are:

- to promote and advance education and to cultivate and improve public taste in the visual arts in particular by stimulating original and creative work in the field of film production in particular including screenplay writing and film direction and film editing by encouraging a high standard of art and technique in persons engaged in such film production and by encouraging and promoting the improvement of the standard of the arts, sciences and techniques of fiction film making.
- to benefit such charitable institutions or other charitable object or objects as the Trustees shall in their absolute discretion think fit to support or establish.

In pursuance of the objectives the trustees have powers

- to further the preservation and public exhibition of films including those films directed by Sir David Lean
- to encourage and sponsor education publications and promote exhibitions and lectures and generally to disseminate knowledge of the art and technique of film making by means of the reading of papers, delivery of lectures, giving of advice or otherwise
- to co-operate with educational establishments and other charities to procure the better appreciation and understanding of films and the arts.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Aims**

The Foundation's grants are awarded to other charitable institutions whose aims include those similar to those of the Foundation principally the National Film and Television School, the British Film Institute and the British Academy of Film and Television Arts.

The Foundation aims to achieve its objectives by both making grants and encouraging recipient organisations to improve their governance and performance. Recipients of grants from the Foundation are required, as a pre-condition of receiving the grant, to provide a report as to the use of the grant and the results

The grant policy is not to make individual scholarship or other grants not related to the objects of the Foundation.

### **Achievements**

During 2020 David Lean Films Ltd received royalties of £176,718 (2019: £163,209) from the films of David Lean.

The total outstanding commitments at the balance sheet date were £62,971 payable in the years 2021 to 2022 (see note 2 and appendix 1).

Since establishment the Foundation has made grants of £73,779 towards its objectives and at the end of the year had grant commitments of £62,971.

### **Future Plans**

The trustees intend to continue expending the charity's incoming resources by making grants as reported under "Aims" above.

### **Public Benefit**

The trustees comply with the duty in the Charities Act 2011 and have regard to guidance published by the Charity Commission as regards public benefit requirements by making grants to national charities.

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### **Risks**

The Foundation's principal current and future source of income is gift aid from the distributable profits of its trading subsidiary's royalties from the films directed by Sir David Lean. The royalties are uncertain in amount and duration and depend upon the promotion of such films in all media.

The Foundation has a risk policy. The policy identifies the major risks to which the Foundation and its subsidiary is exposed to as reduction of royalty income, staffing requirements, trustee succession, failure of technology, premises and archives destruction. These risks have been reviewed and systems and procedures have been established to manage them and where necessary insurance is in place.

### **Financial Review**

During the year the Foundation received a gift aid payment from its subsidiary of £46,091 (2019: £113,588) and £nil donation from a third party.

At the balance sheet date the Foundation (charity only) had total unrestricted net funds of £465,451 (2019: £509,169) represented by £51,789 cash less commitments of £62,971 and creditors of £4,950 (2019: £4,896). The Foundation has investments of £481,582 including an investment in its subsidiary David Lean Films Ltd of £137,295.

On consolidation at the balance sheet date, the Foundation and Films (the group) had total net funds of £721,300 (2019: £686,114) represented by £504,567 of fixed assets, £293,659 of cash less commitments of £62,971 and accruals of £13,955.

### **Reserves Policy**

The Trustees treat the value of the royalty rights of the subsidiary, which provides its principal source of income, as non-distributable.

Having regard to the relative limited expenses of the Foundation the trustees have adopted the policy that the reserves should be net cash in excess of the £25,000 of the Foundation cash after providing for creditors and grant commitments. At 31 December 2020 the deficit held was (£16,131).

# THE DAVID LEAN FOUNDATION

## REPORT OF THE TRUSTEES

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### Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England 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 methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the requirements of the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


### Auditors

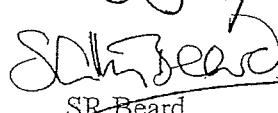
RSM UK Audit LLP, Chartered Accountants, have offered themselves for re-election as auditors of the Foundation.

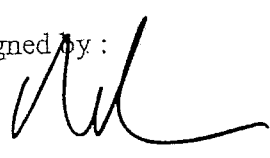
### Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Approved by the Trustees on 8 July 2021 and signed by :

  
AA Reeves  
Trustee

  
SR Beard  
Trustee

  
M W Thowless-Reeves  
Trustee

# THE DAVID LEAN FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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### **Opinion**

We have audited the financial statements of The David Lean Foundation (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 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 Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### **Conclusions relating to going concern**

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 charity'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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## THE DAVID LEAN FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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#### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

THE DAVID LEAN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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In Identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence local tax authorities and evaluating advice received from internal/external advisors.

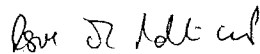
The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF



Date 21 July 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2020

	Note	Unrestricted Funds	Endowment Fund	2020 Total Funds	2019 Total Funds
		£	£	£	£
<b>Income</b>					
Royalties receivable		176,718		176,718	163,209
Investment income		7,096		7,096	13,078
<b>Total income</b>		<b>183,814</b>		<b>183,814</b>	<b>176,287</b>
<b>Expenditure on :</b>					
Raising funds	1a	64,337		64,337	70,689
Expenditure on Charitable		83,083	2,549	85,632	139,579
<b>Total Expenditure</b>		<b>147,420</b>	<b>2,549</b>	<b>149,969</b>	<b>210,268</b>
Net gains/(losses) on investments			1,341	1,341	45,537
<b>Net movement in funds</b>	9	<b>36,394</b>	<b>(1,208)</b>	<b>35,186</b>	<b>11,556</b>
<b>Reconciliation of funds</b>					
Fund balances 1 January 2020		318,320	367,794	686,114	674,558
<b>Fund balances 31 December 2020</b>		<b>354,714</b>	<b>366,586</b>	<b>721,300</b>	<b>686,114</b>

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2020

	Note	2020 Unrestricted Funds	2020 Endowment Funds	2020 Total Funds	2019 Total Funds
		£	£	£	£
<b>Income</b>					
Gift Aid donations	1b	46,091		46,091	113,588
Investment income		6,723		6,723	11,747
<b>Total income</b>		<u>52,814</u>		<u>52,814</u>	<u>125,335</u>
<b>Expenditure</b>					
Expenditure on Charitable activities 2		95,323	2,549	97,872	151,819
<b>Total Expenditure</b>		<u>95,323</u>	<u>2,549</u>	<u>97,872</u>	<u>151,819</u>
Net gains/(losses) on investments			1,341	1,341	45,537
<b>Net movement in funds</b>		<u>(42,510)</u>	<u>(1,208)</u>	<u>(43,718)</u>	<u>19,053</u>
<b>Reconciliation of funds</b>					
Fund balances 1 January 2020		<u>141,375</u>	<u>367,794</u>	<u>509,169</u>	<u>490,116</u>
<b>Fund balances 31 December 2020</b>		<u>98,865</u>	<u>366,586</u>	<u>465,451</u>	<u>509,169</u>

The incoming resources and resources expended derive from continuing operations.  
All gains and losses are included within the Statement of Financial Activities for the year.

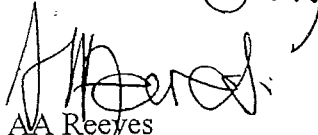
THE DAVID LEAN FOUNDATION


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

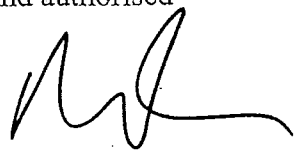
As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Film rights	3	160,280	72,520
Investments	4	<u>44,287</u> 504,567	<u>349,040</u> 521,560
<b>Current assets</b>			
Debtors			
Cash at bank and in hand	5	<u>293,659</u> 293,659	<u>260,078</u> 260,078
<b>Creditors:</b> amounts falling due within one year	6	(76,926)	(93,524)
<b>Net current assets</b>		<u>216,732</u>	<u>166,554</u>
<b>Total assets less current liabilities</b>		721,300	688,114
<b>Creditors:</b> amounts falling due after more than one year			
	7	( - )	(2,000)
<b>Net assets</b>		<u>721,300</u>	<u>686,114</u>
<b>Represented by</b>			
Charitable funds:			
Permanent Endowment	9	366,586	367,794
Unrestricted funds	9	354,714	318,320
<b>Total charity funds</b>	9	<u>721,300</u>	<u>686,114</u>

These financial statements were approved by the trustees and authorised for issue on 8 July 2021.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

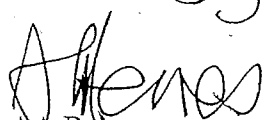
  
M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2020

	Note	2020	2019
		£	£
<b>Fixed assets</b>			
Investments in subsidiary	4a	137,295	149,535
Investments	4	<u>344,287</u>	<u>349,040</u>
		481,582	498,575
<b>Current assets</b>			
Cash at bank and in hand		<u>51,789</u>	<u>99,740</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(67,921)</u>	<u>(87,146)</u>
<b>Net current assets</b>		<u>(16,131)</u>	<u>12,594</u>
<b>Total assets less current liabilities</b>		465,451	511,169
<b>Creditors: amounts falling due after more than one year</b>	7	<u>( - )</u>	<u>(2,000)</u>
<b>Net assets</b>		<u>465,451</u>	<u>509,169</u>
<b>Represented by</b>			
<b>Charitable funds:</b>			
Permanent Endowment	9	366,585	367,794
Unrestricted funds	9	<u>98,866</u>	<u>141,375</u>
<b>Total charity funds</b>	9	<u>465,451</u>	<u>509,169</u>

These financial statements were approved by the trustees and authorised for issue on 8 July 2021.

  
AA Reeves  
Trustee

  
S R Beard  
Trustee

  
M W Thowless-Reeves  
Trustee

THE DAVID LEAN FOUNDATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**

at 31 December 2020

	2020	2019
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the reporting period	35,186	11,556
Investment (gains)/losses	(1,341)	(45,537)
(Decrease) in creditors	(18,598)	(145,319)
Decrease in debtors	-	-
Investment income received	(183,814)	(176,287)
Amortisation	12,240	12,240
	<hr/>	<hr/>
<b>NET INCOME USED IN OPERATING ACTIVITIES</b>	<b>(156,327)</b>	<b>(343,347)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Donations		-
Investment income received	6,678	11,580
Interest received	418	1,489
Royalties received	176,718	163,209
	<hr/>	<hr/>
	183,814	176,287
Proceeds from sale of investments	53,083	90,436
Purchase of investments	(46,989)	(85,630)
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>6,094</b>	<b>4,806</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	<b>33,581</b>	<b>(162,254)</b>
Cash and cash equivalents at the beginning of the reporting period	260,078	422,332
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>293,659</b>	<b>260,078</b>
	<hr/>	<hr/>

## THE DAVID LEAN FOUNDATION

### ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

#### **Basis of Preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The principal accounting policies adopted in the preparation of the accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### **Basis of Consolidation**

The consolidated financial statements comprise the Foundation and its trading subsidiary David Lean Films Limited (the Group). The summarised profit and loss account of David Lean Films Limited is recorded in note 1.

#### **Going Concern**

The Trustees have reviewed the incoming resources and expenditure of the Foundation and believe that there are adequate resources which will enable the Foundation to meet its liabilities for at least one year from the date the financial statements are signed. For this reason the trustees have adopted the going concern basis in preparing the financial statements.

#### **Funds Structure**

The Foundation has a single permanent endowment, which required the Trustees to invest the capital in perpetuity, the income from which is wholly unrestricted. The endowment funds are used to support charities whose objects and activities are similar to those of the charity described in the Trustees' Report on page 2.

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include funds committed by the charity for grants.

ACCOUNTING POLICIES

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**Incoming Resources**

Income is recognised when received. No funds have been received which are restricted.

**Resources expended**

Expenditure is charged inclusive of irrecoverable value added tax. Direct charitable expenditure (grants payable) comprises those payments directly incurred in pursuance of the Foundation's charitable activities.

**Grant Making Policies**

The grant making policy is explained in the Trustees report and is effected by regular contact with the recipient national UK charities. Applications from other charities and organisations if received, are treated on an individual basis consistent with the adopted policy of the Foundation.

**Investments and Intangible Assets**

The Film rights are classified as intangible assets. The directors of the trading subsidiary reconsidered the useful economic life of the film rights at 1 January 2014, and as a result it was resolved that the then remaining useful life was 20 years.

The investments relate to the trading subsidiary and have been impaired in line with the life of the film rights.

**Impairment of Fixed Assets**

At each reporting end date, the Foundation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ACCOUNTING POLICIES

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**Heritage assets**

The Foundation holds a collection of the screenplays and title documents to all of the films directed by Sir David Lean together with photographs, awards, correspondence and a library of books. The Foundation has also deposited on loan other archival material with the British Film Institute National Archive.

Both collections are available for research purposes and have significant intrinsic value relating to the films of David Lean. There is no material cost attributable to these collections and conventional valuation techniques would be inappropriate, so as a result no value is included in the financial statements. As a consequence these collections are deemed to fall within the definition of heritage assets. Expenditure required to accommodate and preserve the collections is recognised in the SOFA when it is incurred.

**Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

**Taxation**

The Foundation is recognised as a charity by HM Inland Revenue [EW70618]. It is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

**Financial instruments**

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the statement of financial position when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

**Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**Other financial assets**

Other financial assets, including endowment investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price. The Foundation only has basic financial liabilities.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

1a. **Income Group: Net income from trading activities and subsidiary**

The Foundation has a wholly owned trading subsidiary, David Lean Films Limited, which collects film royalties, administers its own funds and makes gift aid distribution to the Foundation.

David Lean Films Limited is incorporated in the UK. It transfers its distributable profits by gift aid to the Foundation. A summary of its trading results for the year is shown below.

Financial statements for the subsidiary are filed with the Registrar of Companies.

	2020 £	2019 £
Profit and Loss Account		
Turnover – Royalties	176,718	163,209
Cost of Sales	<u>(47,097)</u>	<u>(48,449)</u>
<b>Gross Profit</b>	129,621	114,760
Administration expenses	(5,000)	(10,000)
Amortisation of Intangibles	<u>(12,240)</u>	<u>(12,240)</u>
<b>Operating profit</b>	112,381	92,520
Interest receivable	373	1,331
	_____	_____
<b>Profit on Ordinary</b>		
<b>Activities Before Taxation</b>	112,754	93,851
Tax on Profit on Ordinary Activities	-	-
	_____	_____
<b>Profit for the Financial Year</b>	112,754	93,581
	_____	_____
Total equity/assets of the subsidiary	<u>112,754</u>	<u>326,481</u>

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2020

1b. **Income charity: Donations**

	2020	2019
	£	£
Gift Aid distribution from subsidiary - unrestricted	46,091	113,588
Donations - restricted	-	-
	<hr/>	<hr/>
Total Donations	<u>46,091</u>	<u>113,588</u>

2. **Resources expended**

Analysis of Grants	£	£
Grants committed at 31 December 2019		84,250
Grant reductions/adjustments	2,500	
Grants committed in 2020	<u>50,000</u>	<u>52,500</u>
		136,750
Grants paid in 2020		
Existing grants paid in 2020	(23,779)	
New grants paid in 2020	(50,000)	(73,779)
		<hr/>
Total grants committed at 31 December 2020		<u>62,971</u>

Details of grants paid and committed are listed in appendix 1.

The Trustees have not received any remuneration from and have not been reimbursed by the Foundation for any expenses in the year, and there are no employees.

Total unrestricted consolidated charitable costs of £83,083 (2019: 136,530) include £52,500 grants payable (2019: £103,833) and support costs of £30,583 (2019: £32,697).

The Foundation's unrestricted charitable cost of £95,323 (2019: £148,770) includes £52,500 grants payable (2019: £103,833) and support costs of £42,823 (2019: £44,937).

Restricted administration and support costs included in Charitable activities costs total £2,549 (2019: £3,049).

The amount payable for the audit is £8,625 (2019:£8,376) and for tax fees £2,450 (2019:£2,898)

THE DAVID LEAN FOUNDATION

NOTE TO THE FINANCIAL STATEMENTS  
For 12 months to 31 December 2020

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<b>3. Intangible Fixed Assets Group</b>	Film Rights £
Cost at beginning and end of year	<u>482,365</u>
Amortisation At beginning of year	309,845
Charge for 12 months to 31 December 2020	<u>12,240</u>
To 31 December 2020	<u>322,085</u>
Net book value	
At 31 December 2020	<u>160,280</u>
At 31 December 2019	<u>172,520</u>
<b>4 Fixed asset investments</b>	Equities £
At beginning of year	349,040
Gains/(losses)	1,341
Additions/disposals	46,989
Disposals at carrying value	(53,083)
	<hr/>
At end of year 31 December 2020	<u>344,287</u>
	<hr/>

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

**4a Investment in subsidiary**

The Foundation owns the entire issued ordinary share capital of David Lean Films Limited, (registered numbered 3429283) a company incorporated in England and Wales.

	£
Cost at beginning and end of year	474,065
Impairment	
At the beginning of year	324,530
Charge for the year	<u>12,240</u>
At end of year	336,770
Net book value	
At 31 December 2020	<u>137,295</u>
At 31 December 2019	<u>149,535</u>

The financial information of the subsidiary undertaking David Lean Films Limited for the year ended 31 December 2020 is shown in note 1a.

**5. Cash at bank**

	Group		Foundation	
	2020	2019	2020	2019
	£	£	£	£
Current	271,360	241,322	29,491	80,984
Endowment	22,299	18,756	22,299	18,756
	<u>293,659</u>	<u>260,078</u>	<u>51,789</u>	<u>99,740</u>

All current cash forms part of unrestricted funds of which £62,971 (2019: £82,250) is committed to grants within one year.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2020

**6. Creditors: amounts falling due within one year**

	Group		Foundation	
	2020	2019	2020	2019
	£	£	£	£
Grants committed	62,971	82,250	62,971	82,250
Accruals	13,955	11,274	4,950	4,896
	<u>76,926</u>	<u>93,524</u>	<u>67,921</u>	<u>87,146</u>

**7. Creditors: amounts falling due after more than one year**

	Group		Foundation	
	2020	2019	2020	2019
	£	£	£	£
Grants committed	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>

**8. Analysis of charitable funds**

	Brought forward	Income	Expenditure	Gains/losses	Carried forward
	£	£	£	£	£
Endowment	367,794	-	(2,549)	1,341	366,586
Unrestricted Funds	318,320	183,814	(147,420)	-	357,714
	<u>686,114</u>	<u>183,814</u>	<u>(149,969)</u>	<u>1,341</u>	<u>721,300</u>

# THE DAVID LEAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

### 9. Analysis of net asset between funds

	Investments	Cash at bank	Creditors	Net assets
	£	£	£	£
Endowment	344,287	22,299	-	366,586
Unrestricted	160,280	271,360	(76,926)	357,714
	<u>504,567</u>	<u>293,659</u>	<u>(75,926)</u>	<u>721,300</u>

### 10. Unrestricted funds

The Foundation's principal source of income is royalties rights from three of the major films directed by Sir David Lean. These royalties and of other rights Sir David Lean films are uncertain in amount and duration and depend (inter alia) upon their promotion.

### 11. Commitments

When the Trustees have resolved to make a charitable grant and have communicated this decision to the recipient the amount committed is then treated as a creditor. No grants have been awarded subject to such conditionally that would require them not to be treated as a creditor.

### 12. Related Party Transactions

The Foundation received a gift aid distribution from its subsidiary David Lean Films Ltd of £46,091, (2019: £113,588).

SR Beard, a trustee of the Foundation and director of David Lean Films Ltd, is a director and the principal shareholder of Peter Smith (Farms) Ltd a company which, during the year received from the Foundation £67,200 (2019: £67,200) for providing office, accounting and administration services to the Foundation and David Lean Films Ltd. The amount outstanding at the year-end was £nil (2019 £nil).

The total remuneration of the Trustees of the Foundation and the directors of David Lean Films Ltd was £nil (2019: £nil).

Mr A A Reeves, a director of the David Lean Films Ltd, is entitled to a commission on the royalties received from "A Passage to India" and in 2020 received £364 (2019 £459).

MW Thowless-Reeves a trustee of the Foundation is the senior partner and designated member of Sorbus Partners LLP, who act as investment managers to the Foundation. He is also a son of AA Reeves, a trustee of the Foundation. During the year the Foundation was charged £2,550 (2019: £2,590) for investment manager fees for managing the investment portfolio on behalf of the Foundation.

THE DAVID LEAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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POST BALANCE SHEET EVENT NOTE

The conclusion of the COVID-19 outbreak cannot be estimated with any certainty, but a review of the Charity's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies to deal with the impact of the outbreak as it unfolds.

THE DAVID LEAN FOUNDATION

APPENDIX 1

31 December 2020

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Grants and commitments	2020	
	Grants paid £	Future commitments £
British Academy of Film and Television Arts	15,000	15,000
National Film and Television School	16,667	15,583
British Film Institute	32,000	32,000
Royal Academy of Arts	6,000	
The Arts Fund	2112	388
Carnforth Heritage Centre	2,000	
Total	<u>73,779</u>	<u>62,971</u>

The total grants made since the establishment of the Foundation in 1997 was £5.7m

THE DAVID LEAN FOUNDATION

APPENDIX 2  
31 December 2020

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Grants	£
1998-2000	195,369
2001-2005	1,572,269
2006-2010	1,649,064
2011-2015	1,187,389
2016-2019	1,009,042
	<hr/>
	5,613,133
2020	<hr/>
	73,779
	5,686,912
Commitments	62,971
	<hr/>
Total	5,749,883
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