

THE DAVID LEAN FOUNDATION

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

THE DAVID LEAN FOUNDATION

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THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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

THE DAVID LEAN FOUNDATION

REPORT OF THE TRUSTEES

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

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

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

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.

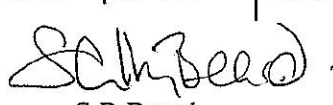
Statement as to Disclosure of Information to Auditors

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.

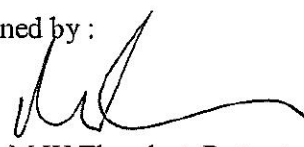
Approved by the Trustees on 15 May 2023 and signed by :



A A Reeves
Trustee



S R Beard
Trustee



M W Thowless-Reeves
Trustee

THE DAVID LEAN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

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.

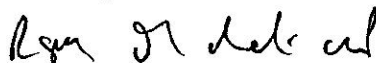
The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating 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

			2022	2021
	Note	Unrestricted Funds	Endowment Fund	Total Funds
		£	£	£
Income				
Royalties receivable		213,968		213,968
Donations		-		-
Investment income		8,535	91	8,626
Total income		222,503	91	222,594
Expenditure on :				
Raising funds	1a	63,812	-	63,812
Expenditure on Charitable		30,908	3,191	34,099
Total Expenditure		94,720	3,191	97,911
Net gains/(losses) on investments		-	(14,327)	(14,327)
Net movement in funds	9	127,783	(17,427)	110,356
Reconciliation of funds				
Fund balances 1 January 2022		413,416	400,627	814,043
Fund balances 31 December 2022		541,199	383,200	924,399

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 £
Income					
Donations					60,000
Gift Aid donations	1b	213,051		213,051	124,994
Investment income		6,822	91	6,913	8,451
Total income		219,873	91	219,964	193,445
Expenditure					
Expenditure on Charitable activities	2	43,148	3,191	46,339	126,274
Total Expenditure		43,148	3,191	46,339	126,274
Net gains on investments			(14,327)	(14,327)	37,514
Net movement in funds		176,725	(17,427)	159,298	104,685
Reconciliation of funds					
Fund balances 1 January 2022		169,509	400,627	570,136	465,451
Fund balances 31 December 2022		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 £
Fixed Assets			
Film rights	3	135,800	148,040
Investments	4	<u>342,075</u> 477,875	<u>342,394</u> 490,434
Current assets			
Cash at bank and in hand	5	<u>460,909</u> 460,909	<u>382,809</u> 382,809
Creditors: amounts falling due within one year	6	<u>(14,385)</u>	<u>(59,200)</u>
Net current assets		<u>446,524</u>	<u>323,609</u>
Total assets less current liabilities		924,399	813,043
Creditors: amounts falling due after more than one year	7	-	-
Net assets		<u>924,399</u>	<u>814,043</u>
Represented by			
Charitable funds:			
Permanent Endowment	9	383,200	400,627
Unrestricted funds	9	<u>541,199</u>	<u>413,416</u>
Total charity funds	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
		£	£
Fixed assets			
Investments in subsidiary	4a	112,815	125,055
Investments	4	<u>342,075</u>	<u>342,394</u>
		454,890	467,449
Current assets			
Cash at bank and in hand		<u>280,420</u>	<u>155,187</u>
Creditors: amounts falling due within one year	6	(5,875)	<u>(52,500)</u>
Net current assets		<u>274,545</u>	<u>(102,687)</u>
Total assets less current liabilities		729,435	570,136
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net assets		<u>729,435</u>	<u>570,136</u>
Represented by			
Charitable funds:			
Permanent Endowment	9	383,200	400,627
Unrestricted funds	9	<u>346,235</u>	<u>169,509</u>
Total charity funds	9	<u>729,435</u>	<u>570,136</u>

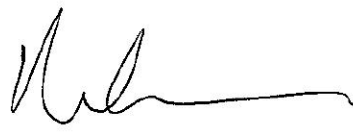
These financial statements were approved by the trustees and authorised for issue on 15 May 2023.



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
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:		
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/>
NET INCOME USED IN OPERATING ACTIVITIES	(130,486)	(201,213)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:		
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
	<hr/>	<hr/>
Proceeds from sale of investments	121,939	108,429
Purchase of investments	(135,947)	(69,022)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(14,008)	39,407
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	78,100	89,150
Cash and cash equivalents at the beginning of the reporting period	382,809	293,659
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	460,909	382,809
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THE DAVID LEAN FOUNDATION

ACCOUNTING POLICIES

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

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

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 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>
Gross Profit	167,396	118,051
Administration expenses	(5,000)	(5,000)
Amortisation of Intangibles	<u>(12,240)</u>	<u>(12,240)</u>
Operating profit	150,156	100,811
Interest receivable	1,713	-
	<hr/>	<hr/>
Profit on Ordinary		
Activities Before Taxation	151,869	100,811
Tax on Profit on Ordinary Activities		-
	<hr/>	<hr/>
Profit for the Financial Year	151,869	100,811
	<hr/>	<hr/>
Total equity/assets of the subsidiary	151,869	100,811
	<hr/>	<hr/>

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

3. **Intangible Fixed Assets Group**

	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
	<u>346,565</u>
Net book value	
At 31 December 2022	135,800
	<u>148,040</u>
At 31 December 2021	

4 **Fixed asset investments**

	Equities £
At beginning of year	342,394
(Losses)/gains	(14,327)
Additions/disposals	135,947
Disposals at carrying value	(121,939)
	<u>342,075</u>
At end of year 31 December 2022	

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

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	<hr/> 39,265 <hr/>	<hr/> - <hr/>

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

THE DAVID LEAN FOUNDATION

APPENDIX 2

31 December 2022

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

5,816,761

Commitments

-

5,816,761
