

Charity No.1082126

THE WAVENDON FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

THE WAVENDON FOUNDATION

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THE WAVENDON FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 30 SEPTEMBER 2020

CHARITY REGISTRATION NUMBER 1082126

TRUSTEES

Richard Mann (Chair)
Kenneth Chaproniere
Gordon Silver (Treasurer – to 3 December 2020)
Laurence Holden (Treasurer – from 13 January 2021)
Alec Dankworth
Kevin Whately
Marcus Blake

LIFE PRESIDENT

Dame Cleo Laine DBE

PRINCIPAL ADDRESS

83 Ducie Street
Manchester
M1 2JQ

INDEPENDENT EXAMINER

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

National Westminster Bank Plc
Milton Keynes (A) Branch
501 Silbury Boulevard
Saxon Gate East
Milton Keynes
MK9 3ER

MetroBank plc
One Southampton Row
London
WC1B 5HA

INVESTMENT ADVISORS

PB Financial Planning
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Investec Wealth & Management
30 Gresham Street
London
EC2V 7QP

THE WAVENDON FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 30 September 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects of the Foundation

The Wavendon Foundation is constituted under a Trust Deed dated 1 May 2000 (as amended by a supplemental deed dated 3 August 2000) and is a registered charity — Registration No. 1082126. The principal object of the Charity is to raise funds to benefit persons engaged in the performing arts, and in the education of the public through the performing arts, whether as registered charities, corporate bodies or individuals. The principal fund-raising vehicle employed by the Charity is return from investing.

The Wavendon Foundation seeks to have regard to public benefit by making donations within the performing arts available to all. The Charity carries out its activities with due regard for the Charity Commission guidance on public benefit.

Organisational structure

The trustees who have served during the year are set out under the section "Trustees". The trustees met quarterly during 2019/20, except the scheduled meeting for April 2020 had to be cancelled due to Covid.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Following the sale of the land which had been gifted to the Wavendon Foundation by Sir John and Lady Dankworth, the Trust received the final tranche of the sale price as previously agreed with the purchasers. Most of this was added to the funds already invested with Investec.

The trustees continued to meet quarterly, apart from the cancelled April 2020 meeting, to conduct the normal business of the Trust. This is principally to review the financial position of the Foundation and to consider the relative merits of the funding applications and whether they could be granted within funding available in line with the Foundation's investment policy.

In the year, a total of 18 donations was agreed, mostly for the amount requested. Thirteen were to organisations such as: The National Youth Jazz Orchestra, Music for Youth, CHUMS and the NYCO. The remainder were to individuals with donations varying between £1,000 and £2,000 to support their studies or specific projects they were engaged in. In total, the amounts donated were £8,500 to individuals and £31,370 to organisations (.2019 - £18,765 to individuals and £25,035 to organisations).

In making their decisions the trustees' first considerations were education (primarily youth education) and the relief of hardship within the general area of the performing arts as laid down in the Trust's objectives.

RISK MANAGEMENT

The trustees have identified the risks to which the Charity is exposed and have implemented procedures to mitigate those risks. The principal risk to the Charity is considered to be a dramatic downturn in capital value of its investments.

This is mitigated by diversifying the investment portfolio in a professionally managed investment portfolio on a medium risk basis. With the investment of the final receipt of funds from the land sale into the Investec portfolio, the availability of funds for grant giving is assessed against projections of annual income from the fund to support preservation of the capital.

THE WAVENDON FOUNDATION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

FINANCIAL REVIEW

The final third tranche from the land sale was received on 8 November 2019 in the sum of £714,018.

Due to the Covid related downturn in the value of the investment portfolio at the Balance Sheet date, the gross income of the Foundation, including realised and unrealised investment gains for the year was negative at £135,876 (2019 positive at £148,699), resulting in a deficit for the year before donations made of £160,600 (2019: surplus £124,539). The net loss on investments for the year at the Balance Sheet date was £162,801 (2019 gain on investments £127,681).

Donations given in the year were £39,870 (2018: £43,800) resulting in a net loss for the year of £200,470 (2018: surplus £80,739).

When aggregated with unrestricted reserves brought forward of £2,215,712, unrestricted reserves carried forward are £2,015,242.

Investment Performance

Following professional advice, surplus funds from the sale of land have been invested with fund managers Investec in a varied portfolio base which is reviewed by trustees at their meetings throughout the year. On 5 December 2019 the third and final investment tranche was made of £675,000 from the proceeds of the final tranche of the land sale.

The impact of the COVID-19 pandemic on the financial markets caused a significant fluctuation in the value of the charity's investments, which at the Balance Sheet reporting date showed a negative net portfolio return of 6.48% over the 12 months from September 2019. Since then, the latest available valuation at 31 December 2021 shows the position has recovered with the current market value at £2,328,371, a recovery of 11.83% since 31 December 2020.

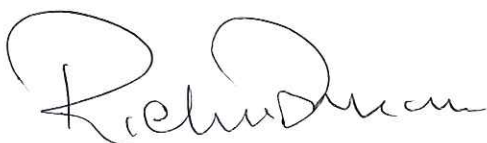
In response to the volatility and uncertainty in income generated by the investments, the trustees are maintaining close communication with the investment managers to monitor movements in value and thus levels of income arising, and to determine the value of grants that the Foundation is able to make.

FUTURE PLANS

The Charity intends to continue making available donations to engage and educate in the performing arts as described above.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulation 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 11 April 2022 and signed on its behalf by:



Richard Mann – Trustee and Chair

THE WAVENDON FOUNDATION
INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
THE WAVENDON FOUNDATION
FOR THE YEAR ENDED 30 SEPTEMBER 2020

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2019 which are set out on pages 6 to 16.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 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 Act.

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 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 Act; or
2. the accounts do not accord with those records; or
3. 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.



Helena Wilkinson BSc FCA DChA

For and on behalf of:
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 26 May 2022

THE WAVENDON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	unrestricted 2020 £	unrestricted 2019 £
INCOME FROM:			
Investment income	2	26,925	21,018
Total		26,925	21,018
EXPENDITURE ON:			
Raising funds	3	19,811	19,761
Charitable activities:			
Donations	5/6	39,870	43,800
Other	7/8	4,913	4,399
Total		64,594	67,960
NET (EXPENDITURE) BEFORE GAINS		(37,699)	(46,942)
Net (losses) / gains on investments		(162,801)	127,681
NET (EXPENDITURE) / INCOME BEING NET MOVEMENT ON FUNDS		(200,470)	80,739
RECONCILIATION OF FUNDS			
Total funds brought forward		2,215,712	2,134,973
TOTAL FUNDS CARRIED FORWARD		2,015,242	2,215,712

All income and expenditure has arisen from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 9 to 16.

THE WAVENDON FOUNDATION
CHARITY REGISTRATION NUMBER: 1082126
BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	-	-
Investments			
Fixed investments	11	1,988,971	1,468,868
		1,988,971	653,380
CURRENT ASSETS			
Debtors	12	-	715,020
Prepayments and accrued income	12	1,054	606
Cash at bank		26,626	39,929
		27,680	755,555
CREDITORS			
Amounts falling due within one year	13	(1,409)	(8,711)
NET CURRENT ASSETS		26,271	746,844
TOTAL ASSETS LESS CURRENT LIABILITIES		2,015,242	2,215,712
NET ASSETS		2,015,242	2,215,712
FUNDS			
Unrestricted funds		2,015,242	2,215,712
TOTAL FUNDS		2,015,242	2,215,712

The financial statements were approved by the Board of Trustees on 11 April 2022 and signed on its behalf by:



Laurence J Holden B.Mus, MSc, CPFA
Trustee and Hon. Treasurer

The notes on page 9 to 16 form part of these accounts.

THE WAVENDON FOUNDATION

CASHFLOW STATEMENT AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Cash Flows from Operating Activities			
Net cash provided by operating activities	15	642,676	655,296
Cash Flows from Investing Activities			
Dividends and interest from investments		26,885	20,909
Bank interest		40	109
Proceeds on sale of tangible fixed assets			
Proceeds on sale on investments		913,393	184,626
Purchase of investments		(1,584,969)	(836,757)
Net Cash Flows from Investing Activities		(644,651)	631,143
Change in cash and cash equivalents in the year		(1,975)	24,183
Cash and Cash equivalents brought forward		86,350	62,167
Cash and cash equivalents carried forward	16	84,375	86,350

Analysis of changes in net debt:

	At start of the year	Cashflows	Other non-cash changes	At end of the year
Cash	39,929	(13,303)		26,626
Cash within the investment portfolio	46,421	11,328		57,749
	86,350	(1,975)		84,375

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. ACCOUNTING POLICIES

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

a. Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention in pound sterling which is the functional currency of the Charity.

The 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.

b. Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. As such, they continue to adopt the going concern basis of accounts in preparing the financial statements.

Attention is drawn in the Trustees' report to the impact of the COVID-19 pandemic on the financial markets and the consequent significant fluctuation in the value of the Charity's investments. Since the Balance Sheet reporting date, the latest available valuation at 31 December 2021 shows the position has recovered with the current market value now 11.83%% above the position at 31 December 2020. The trustees consider that these fluctuations have no immediate impact on the viability of the charity. In response to the potential volatility in income generated by the investments during this period of economic uncertainty, the trustees are maintaining close communication with the investment managers to monitor any forecasted decrease in the level of targeted income, and will continue to support a level of grant awarding that is in line with the level of investment income receivable.

c. Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, which is normally upon notification of the interest paid or payable by the bank. Dividends and income from Government Securities are recognised when it is received.

d. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

e. Taxation

The Trust is a registered charity and is exempt from corporate taxes, to the extent of operating within its charitable objectives. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f. Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

g. Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Fixtures, fittings & equipment	25% per annum on cost.

h. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year as disclosed in note 11.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

i. Debtors

Sundry debtors are recognised at the settlement amount due. Prepayments are valued at the amount repaid net of any trade discounts due.

j. Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

k. Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for all trade discounts due.

l. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value with exception of investments which are recorded at their fair value based on market rate as shown in note 11.

m. Accounting estimates

There are no significant accounting estimates at the year end date (2019 none).

2. INVESTMENT INCOME

	2020 £	2019 £
Bank account interest	40	109
Interest on investments	86	172
Dividend	26,799	20,737
	<hr/>	<hr/>
	26,925	21,018
	<hr/>	<hr/>

3. RAISING FUNDS

	2020 £	2019 £
Total costs in relation to land sale	830	6,574
Investment manager fees	18,981	13,187
	<hr/>	<hr/>
	19,811	19,761
	<hr/>	<hr/>

4. TRUSTEES' REMUNERATION AND BENEFITS

No remuneration or other benefits were paid to trustees for the year ended 30 September 2020 nor for the year ended 30 September 2019.

No expenses were paid for the year ended 30 September 2020 nor for the year ended 30 September 2019.

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total
	2020 £	2020 £ (note 7)	2020 £
Engaging and educating in performing arts	39,870	4,913	44,783
	£	No.	
Grants to individuals	8,500	5	
Grants to institutions	31,370	13	
	39,870	18	

Further details of grants made to institutions are included within the Trustees' Report on page 3.

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total
	2019 £	2019 £ (note 8)	2019 £
Engaging and educating in performing arts	43,800	4,339	55,201
	£	No.	
Grants to individuals	18,765	12	
Grants to institutions	25,035	13	
	43,800	25	

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. SUPPORT COSTS — CURRENT YEAR

	Governance	Other	Total
	2020	2020	2020
	£	£	£
Independent examination fees	1,038		1,038
Rent		0	0
Administrative assistant		2,034	2,034
Office expenses		777	777
Website costs		378	378
Bank charges		25	25
Insurance		661	661
Total	1,038	3,875	4,913

8. SUPPORT COSTS — PRIOR YEAR

	Governance	Other	Total
	2019	2019	2019
	£	£	£
Independent examination fees	1,380		1,380
Rent		28	28
Administrative assistant		1,725	1,725
Office expenses		150	150
Website costs		360	360
Bank charges		0	0
Insurance		756	756
Total	1,380	3,019	4,399

9. STAFF COSTS

No wages or salaries were paid in 2020 or 2019.

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Totals
	£	£
COST		
At 30 September 2020 and 2019	963	963
DISPOSALS		
At 30 September 2020	(963)	-
DEPRECIATION		
At 30 September 2020 and 2019	(963)	(963)
DISPOSALS		
At 30 September 2020	963	-
NET BOOK VALUE	-	-

11. INVESTMENTS

	2020	2019
	£	£
Investments at market value comprise:		
At 1 October 2019	1,468,868	653,380
Additions	1,584,969	836,757
Disposal proceeds	(913,393)	(184,626)
(Loss) / gain on investments	(162,801)	127,681
Cash movement	11,328	35,676
At 30 September 2020	1,988,971	1,468,868
Cost of investments	2,082,287	1,350,054
Investments are allotted to each range as follows:		
Fixed interest	384,179	205,190
Equities	1,114,408	960,774
Other	432,635	256,483
Cash	57,749	46,421
	1,988,971	1,468,868

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. DEBTORS

	2020	2019
	£	£
Land sale proceeds	-	715,020
Prepayments	1,054	606
Other debtors	-	-
	<u>1,054</u>	<u>715,626</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	45	1,506
Other creditors	-	6,185
Accruals	1,364	1,020
	<u>1,409</u>	<u>8,711</u>

14. RELATED PARTY DISCLOSURES

In the year ended 30 September 2020 a grant of £2,000 (2019: £2,000) was made to the National Youth Jazz Orchestra Limited, a company connected by one of the Trustees, Mr Gordon Silver. There were no other related party transactions in either 2020 or 2019.

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net Income	(200,470)	80,739
Adjusted for:		
Loss / (gain) on investments	162,801	(127,681)
Decrease in debtors	714,572	715,445
(Decrease) / Increase in creditors	(7,302)	7,811
Dividends and interest from investments	(26,885)	(20,909)
Bank interest	(40)	(109)
Profit on disposal of land		
Net cash provided by operating activities	<u>642,676</u>	<u>655,296</u>

THE WAVENDON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank	26,626	39,929
Cash in investment portfolio (note 11)	57,749	46,421
Total	84,375	86,350

