

THE STEVE MORGAN FOUNDATION

Annual Report and Financial Statements

Year ended 31 March 2021

THE STEVE MORGAN FOUNDATION

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THE STEVE MORGAN FOUNDATION

OFFICERS AND PROFESSIONAL ADVISERS

CHAIRMAN

S P Morgan

HONORARY TREASURER

A M Lewis

TRUSTEES

S P Morgan
S J Morgan
V W Fairclough
R E Walker
A M Lewis
J R C Masters
B L Clark

HONORARY SECRETARY

V W Fairclough

ADMINISTRATOR

J Harris

BANKERS

Barclays Bank PLC
3 Hardman Street
Spinningfields
Manchester
M3 3AX

AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
United Kingdom
LS1 2AL

INVESTMENT MANAGERS

Barclays Wealth and Investment Management
1 Churchill Place
London
E14 5HB

Quilter Cheviot
One Kingsway
London
WC2B 6AN

UBS Wealth Management
5 Broadgate
London
EC2M 2AN

REGISTERED & PRINCIPAL OFFICE

PO Box 3517
Chester
CH1 9ET

THE STEVE MORGAN FOUNDATION

TRUSTEES' REPORT

The trustees present their annual report on the affairs of the charity, together with the financial statements and auditor's report for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies as set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Steve Morgan Foundation is constituted under a trust deed dated 18 October 2000 as amended by supplemental deed dated 14 May 2001. It is a registered charity no. 1087056.

The business of the Charity is conducted through a series of bi-monthly Trustees' meetings, where Trustees oversee the grant making activities, ensuring that these continue to support a wide range of organisations benefitting the local community. Trustees are responsible for controlling expenditure and also for the investment and reserve policies and with any associated decisions. The registered/principal office address is shown on page 1.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity aims to change lives by funding projects that provide practical, targeted support for people coping with disability, mental health problems, social isolation, domestic violence, unemployment and poverty. The charity has unrestricted objects to apply the corpus and income for all purposes which are charitable under the laws of England and Wales from time to time. Subject to any designation or restriction which might be attached to any sum received by the charity to be applied in implementation of its objects, it is the policy of the Trustees to apply the income stream of The Steve Morgan Foundation to charities mainly operating in Merseyside, Cheshire and North Wales in support of young people and others who are disadvantaged or who are otherwise worthy such as in relation to the pursuit of educational objectives. In all cases the financial support of The Steve Morgan Foundation would be expected 'to make a difference'. Generally, an award payable would be made for such charitable purposes where the prospective recipient had already established an initiative, albeit however modest.

It is the policy of the Trustees to preserve the donations derived without designation or restriction as a corpus to be enhanced by other like donations and subject to capital gain and capital loss for the provision of the income stream to be applied for the charitable purposes. However, the Trustees view their policy as one which they have full discretion to amend in order to address changing circumstances as they see fit.

In setting their objectives and planning their services, the Trustees of the charity have given careful consideration to the Charity Commission's general guidance on public benefit.

The Steve Morgan Foundation furthers its charitable purposes for the public benefit through its grant-making policy which aims at:

- Providing funding for small to medium sized organisations who are addressing specific needs in Merseyside, Cheshire and North Wales;
- Focussing financial support mainly on those who work directly with children and families; and
- Supporting projects which directly contribute to the quality of life of the people in the region.

ORGANISATION

The Trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board of Trustees in accordance with the trust deed. There shall be at least three Trustees, who will be appointed by resolution of the Trustees as passed at a special meeting. No Trustee had any financial interest in the charity in the current or prior year.

ACHIEVEMENTS AND PERFORMANCE

The Charity has awarded a record level of grants of £25,805,095 (2019/20: £10,039,761) in the last year to organisations in line with their objectives, representing the significant activities of the Charity. The Trustees have considered many applications for support, some of which did not fall within the focus of the Charity. All grants awarded are in accordance with furthering the charitable objectives of The Steve Morgan Foundation. Surplus funds continue to be invested with the aim of generating additional income to be used for grant making activities as outlined above.

THE STEVE MORGAN FOUNDATION

TRUSTEES' REPORT (CONTINUED)

The Trustees have not outlined key performance indicators for The Steve Morgan Foundation. Whilst a targeted level of grant making is usually set, during the year under review this was not considered to be relevant due to the large scale impact of the DCMS scheme referred to below. The Charity's performance during the year was enhanced very significantly by way of its response to issues caused by the Pandemic. The Charity was able to respond rapidly to support those organisations within its remit areas which were impacted adversely during the first lockdown period, by way of an emergency hardship fund. The Covid-19 Emergency Fund awarded grants of £4,283,773 (2019/20: £1,370,466), having committed up to £1m per week for the first 12 weeks of the pandemic to help charitable organisations deal with the effects of the crisis. During the year it was selected as a partner organisation by the Department for Digital, Culture, Media & Sport (DCMS) as part of their £85m Community Match Challenge Fund. This enabled the Charity to award grants of £19,655,063 of which £10,000,000 was funded by DCMS and was required to be spent in full prior to the Charity's year end. The Charity was proud to have achieved that target and was also proud to be the only north-western partner chosen to participate in this scheme by DCMS. However, as a consequence of the above exceptional levels of activity, regional grants awarded during the year of £376,733 (2019/20: £2,249,718) fell below the targeted level of £2,500,000. The Enable division, funding both specialist disability equipment for people of all ages and our well-established Smiley Bus programme, awarded grants of £41,163 during the year (2019/20: £677,476) and an additional £74,242 of discretionary grants were awarded. £1,374,121 was awarded in total to Major Grants.

FINANCIAL REVIEW AND INVESTMENT POLICY

The results for the year ended 31 March 2021 are set out in the Statement of Financial Activities on page 9. This shows net expenditure before gains/losses on investments for the year of £12,852,494 (2020: net income £1,591,989). Total income increased from £12,214,425 to £13,963,449 due to an increase in specific donations as compared with the previous year. Meanwhile, awards granted during the year increased from £10,039,761 to £25,805,095. Grant commitments due within one year increased to £11,350,544 (2019/20: £8,707,901). Grant commitments due after one year were £10,054,880 (2019/20: £7,991,883).

The closing net asset position has increased to a record £304,658,471 (2019/20: £251,309,431). Investment gains of £66,201,534 (2019/20: losses of £22,861,438) were recorded in the year 2020/21. The strong improvement in investment performance in the year was the result of a bounce back after the reductions in value recorded at the end of the previous year due to the impact of the Covid-19 Pandemic on the economy at that year end.

There are no restrictions on the charity's power to invest. It is the policy of the Trustees to manage the corpus of The Steve Morgan Foundation on the basis of a relatively low level of risk, balancing capital growth and income requirements in order to sustain the corpus in the long term and to provide an adequate reliable income stream to serve the charitable purposes on a day to day basis.

PROCEDURES AND POLICY FOR GRANT MAKING

The Trustees usually meet bi-monthly to consider what grants they will make and to review any feedback they have received. Grants are only awarded upon agreement by the Trustees and all successful recipients must meet the specific objectives of the charity. Usually they are visited by one or more of the Trustees, and a detailed report is prepared for the Board of Trustees to review before the grant is approved.

Though the Trustees make some grants of a limited size with no formal application, they normally ask invited organisations to submit a formal application saying how the funds would be used, what would be achieved, and providing references where appropriate. The Trustees have a policy, which is communicated to all beneficiaries, that they only make grants that meet the conditions specific within the final offer letter approved by the Trustees.

RESERVES POLICY

It is the policy of the charity to maximise unrestricted funds, which are the free reserves of the charity, to ensure sufficient funds are available to cover awards payable, support and administration costs for the foreseeable future. There are no restricted reserves held at present, unrestricted reserves at 2020/21 amount to £304,658,471 (2019/2020: £251,309,431). A large surplus of funds is held, substantially as a matter of policy. There are no maximum or minimum level of reserves required to be held at any time. The income derived therefrom, and the capital accretion thereto fund the expenditure and maintain the corpus to serve likewise in future periods.

THE STEVE MORGAN FOUNDATION

TRUSTEES' REPORT (CONTINUED)

RISK MANAGEMENT

The Trustees have considered the operational and business risks which the charity faces and confirm that they have established systems to mitigate the significant risks. The principal risk faced by The Steve Morgan Foundation is volatility in the value of investments held which could expose the Charity to loss of income. The Trustees work closely with the investment managers and the investment reports are closely monitored to track fluctuations and to ensure investment decisions are in line with the objectives of the Charity.

PLANS FOR THE FUTURE

The Trustees intend to continue providing awards with a view to improving the life chances of those suffering from disadvantage or disability, mainly in the Merseyside, Cheshire and North Wales areas in line with the objectives of the Charity. It is presently expected that during 2021/2022 the level of grants awarded will fall below last year's record levels as we aim to support charities in the post Pandemic period.

APPOINTMENT OF TRUSTEES

Thus far Trustees, other than the originating Trustees, have been appointed on the basis of a long-standing knowledge, shared by the existing Trustees, of the appointee in relation to her or his integrity and probity and proven record in her/his chosen professional career. It is expected that the policy attaching to appointments will continue in that vein. The background of each appointee is such that formal training is not required. There are no formal induction activities undertaken for each newly appointed Trustee.

KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees consider the key management personnel of the charity to be the Board of Trustees. The Trustees are in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year (2019/20: £nil).

RELATED PARTIES

The Trustees are required to disclose all relevant interests and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

GOING CONCERN

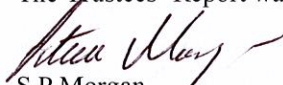
After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future (being at least 12 months from the date of signing the accounts), due to the level of net assets. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as the charity's auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report was approved by the Board and signed on its behalf by:



S P Morgan

A M Lewis

Date: 2/9/21

THE STEVE MORGAN FOUNDATION

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 2011 and the Charity (Accounts and Reports) Regulations 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.

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

THE STEVE MORGAN FOUNDATION

Independent auditor's report to the trustees of The Steve Morgan Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Steve Morgan Foundation (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements which comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related notes 1 to 17

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (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 STEVE MORGAN FOUNDATION

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the trustees of the charity for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charity's industry and its control environment, and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charity operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Charities Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- recognition of income in the correct accounting period. To address this risk we tested a sample of income either side of the balance sheet date to supporting evidence of agreements of minutes, to evaluate whether the income has been recognised appropriately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we assessed the design and implementation of controls over the assessment and approval of grant awards; tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

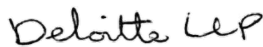
Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

10 October 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

THE STEVE MORGAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 March 2021

		Unrestricted funds	Restricted funds	Total funds	Total Unrestricted funds
		2021	2021	2021	2020
	Note	£	£	£	£
INCOME FROM:					
Donations	3	111,877	10,000,000	10,111,877	2,506,599
Investments	4	3,851,572	-	3,851,572	9,707,826
TOTAL INCOME		3,963,449	10,000,000	13,963,449	12,214,425
EXPENDITURE ON:					
Raising funds	5	808,308	-	808,308	305,539
Charitable activities	6	16,007,635	10,000,000	26,007,635	10,316,897
TOTAL EXPENDITURE		16,815,943	10,000,000	26,815,943	10,622,436
Net (expenditure)/income before investment gains		(12,852,494)	-	(12,852,494)	1,591,989
Gains/(Losses) on investment assets	12	66,201,534	-	66,201,534	(22,861,438)
Net income/(expense) for the year		53,349,040	-	53,349,040	(21,269,449)
NET MOVEMENT IN FUNDS		53,349,040	-	53,349,040	(21,269,449)
RECONCILIATION OF FUNDS:					
Total funds brought forward		251,309,431	-	251,309,431	272,578,880
Net movement in funds for the year		53,349,040	-	53,349,040	(21,269,449)
Total funds carried forward		304,658,471	-	304,658,471	251,309,431

There were no other recognised gains or losses other than those listed above and the net income for the year.

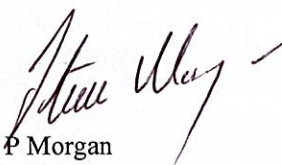
All income and expenditure derives from continuing activities.


THE STEVE MORGAN FOUNDATION

BALANCE SHEET As at 31 March 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	12	235,012,858	137,470,468
CURRENT ASSETS			
Debtors	13	2,048	11,407
Cash at bank and in hand		91,058,290	130,544,440
		<u>91,060,337</u>	<u>130,555,847</u>
CREDITORS: amounts falling due within one year	14	<u>(11,359,844)</u>	<u>(8,725,001)</u>
NET CURRENT ASSETS		<u>79,700,493</u>	<u>121,830,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		314,713,351	259,301,314
CREDITORS: amounts falling due after more than one year	14	<u>(10,054,880)</u>	<u>(7,991,883)</u>
NET ASSETS		<u>304,658,471</u>	<u>251,309,431</u>
FUNDS			
Unrestricted funds		<u>304,658,471</u>	<u>251,309,431</u>

These financial statements of The Steve Morgan Foundation Charity Number 1087056 were approved by the Board of Trustees and authorised for issue on 22 Sept 2021. They were signed on its behalf by:


S P Morgan
Chairman


A M Lewis
Hon. Treasurer

THE STEVE MORGAN FOUNDATION

CASH FLOW STATEMENT

Year ended 31 March 2021

	Note	2021 £	2020 £
Net cash flows from/(used in) operating activities	17	<u>(11,996,867)</u>	<u>(3,354,136)</u>
Cash flows from investing activities:			
Interest and dividends received	4	3,851,572	9,402,287
Proceeds from sale of investments		2,252,675	133,759,880
Purchase of investments		(32,000,000)	(100,075,000)
Movement in cash held by investment managers		<u>(1,593,531)</u>	<u>(549,629)</u>
Net cash flows (used in)/from investing activities		<u>(27,489,284)</u>	<u>42,537,538</u>
Net (decrease)/increase in cash and cash equivalents		(39,486,150)	39,183,402
Cash and cash equivalents at beginning of year		<u>130,544,440</u>	<u>91,361,038</u>
Cash and cash equivalents at the end of the year		<u><u>91,058,290</u></u>	<u><u>130,544,440</u></u>

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

Charitable status

The Steve Morgan Foundation is a public benefit entity and a registered charity. The registered office is given on page 1.

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The principal accounting policies are set out below.

Preparation of financial statements - going concern basis

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' report which also describes the financial position of the charity including its cash, investments and reserves policy. The charity forecasts and projections, taking account of reasonably possible changes in donations and investment income, and including consideration of the impact of Covid-19, show that the charity should be able to operate with the current level of reserves it has. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, which includes the period of 12 months from the date of these signed accounts. The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations

Consists of donations and similar income resources. They are included in the accounting period in which they are receivable, which is when the charity becomes entitled to the resource. Some services have been provided by Bridgemere UK PLC, a company of which four of the trustees are directors. No adjustment has been made to reflect this as it is not possible to quantify the value of such services.

Investment income

Investment income is accounted for when receivable.

Donated goods and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. There are no volunteers other than the trustees of the Charity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Charitable activities - award payments

Award payments are accounted for once the Foundation has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is earlier. Where an award is conditional and compliance is within the control of The Steve Morgan Foundation, the award is not recognised until the conditions are met. Where an award is conditional and outside the control of The Steve Morgan Foundation, the award is recognised and accounted for in the same way as an unconditional award.

Support costs

This includes those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs.

Raising funds

This includes all expenses relating to investment management.

Fund accounting

The charity holds unrestricted funds representing unrestricted net income and net recognised gains which are expendable at the discretion of the trustees in furtherance to the objectives of the charity.

Investments

Realised and unrealised gains and losses are included in the statement of financial activities. Investments are stated at market value at the balance sheet date and are derived from investment assets in the United Kingdom.

Social Investments

The Charity holds a social investment property to fulfil its charitable objectives. The social investment property is stated at net book value, being cost net of depreciation and any provisions for impairment. No depreciation is provided on the social investment due to the anticipated high residual value which would result in immaterial depreciation for the asset.

Employee benefits

The Charity participates in a money purchase pension arrangement. The amount charged to the statement of financial activities in respect of pension costs is the contribution payable in the year.

Financial instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price.

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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash 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. Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3 ANALYSIS OF INCOME FROM DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted 2020 £
Donations including gift aid	111,877	10,000,000	10,111,877	2,506,599
			<u>10,111,877</u>	<u>2,506,599</u>

4. ANALYSIS OF INCOME FROM INVESTMENTS

	2021 £	2020 £
UK Investment Income	3,646,094	9,452,398
Bank and treasury deposit interest	205,478	255,428
	<u>3,851,572</u>	<u>9,707,826</u>

5. ANALYSIS OF COST OF RAISING FUNDS

	2021 £	2020 £
Investment Management Fees	808,308	305,539
	<u>808,308</u>	<u>305,539</u>

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted 2020 £
Activity - general grant awards				
Grants made to institutions (note 7)	15,861,923	9,814,279	25,676,202	9,595,216
Grants made to individuals	128,893	-	128,893	444,545
	<hr/>	<hr/>	<hr/>	<hr/>
Total	15,990,816	9,814,279	25,805,095	10,039,761
Support costs (note 8)	16,819	185,721	202,540	277,136
	<hr/>	<hr/>	<hr/>	<hr/>
	16,007,635	10,000,000	26,007,635	10,316,897
	<hr/>	<hr/>	<hr/>	<hr/>

7. ANALYSIS OF GRANT AWARD EXPENDITURE

	Grants to institutions 2021 £	Grants to institutions 2020 £
Grants awarded in the pursuit of the charity's objectives		

MAJOR GRANTS

Passion for Learning	-	(83,000)
JDRF	-	1,000,000
The Way	** (114,831)	-
Teach First	-	455,000
Shine Right to Succeed	1,968,058	37,500
Liverpool FC Foundation	** (479,106)	1,666,666
Everton in the Community	-	2,457,114
	<hr/>	<hr/>
Subtotal	1,374,121	5,533,280
	<hr/>	<hr/>

REGIONAL GRANTS > £50K

Advance Brighter Futures	-	61,320
All Together Now	-	69,167
Croxteth Family matters	-	89,624
Deysbrook Village Centre	-	57,000
Denbighshire Home-Start	60,000	-
Ella Together	-	72,729
Family and Friends	-	72,440
Footsteps for Families	-	54,600
Imagine If Trust	-	125,000
Innovate Volunteering	-	55,000
The Joshua Tree	-	90,000
Kim Inspire	144,958	-
Life Youth Hub	-	53,000
Mencap Wirral	-	84,000
Neuro Muscular Centre	-	53,000
Neuro Muscular Centre	-	50,000
The Opening Doors Project	-	60,000
Rape and Sexual Abuse Support Centre	-	89,000
Rural Conwy Community Car Scheme	-	50,856
Same But Different	-	74,000
Social Mobility Foundation	-	75,000

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

	Grants to institutions 2021 £	Grants to institutions 2020 £
St Andrews Community Network	-	90,000
The Aloud Charity	-	90,000
The Venture (Wrexham)	-	60,000
Wirral Churches Ark Project	-	66,000
YMCA Crewe	-	90,000
Y-Kids Education	-	90,000
12 (2021), 43 (2020) Regional Grants under £50K.	171,775	427,982
<u>Subtotal</u>	<u>376,733</u>	<u>2,249,718</u>

COVID-19 EMERGENCY FUND GRANTS >£50k

Bradbury Fields	72,400	-
Centre 63	78,000	29,760
Crest Co-operative	63,898	-
Healthbox CIC	60,000	-
JDRF	-	150,000
Maggies Centre	50,000	-
Neo Community	76,040	-
Passion for Learning	138,357	-
Positive Futures	75,825	-
Tomorrows Women Wirral	74,134	-
Whitechapel Centre	-	50,000
445 (2021), 108 (2020) Covid-19 Grants under £50,000	3,595,119	1,140,706
<u>Subtotal</u>	<u>4,283,773</u>	<u>1,370,466</u>

DCMS FUND GRANTS >£50k

ADHD Foundation	196,810	-
Age Concern Cheshire	180,000	-
All Together Now	110,000	-
Alt Valley Community Trust	59,796	-
Barnstonedale Centre	147,697	-
Beechley Stables	90,000	-
Bradbury Fields	76,000	-
Breckfield and North Everton Neighbourhood Council	94,506	-
Cheshire Autism Practical Support	103,450	-
Cheshire Without Abuse	115,000	-
Cheshire Young Carers	58,435	-
Chester and District Federation of the Blind	116,974	-
CLIC Sargent	60,000	-
Community By Nature	69,646	-
Compass Counselling	60,000	-
Croxteth and Gilmooss Community Federations	168,894	-
Cycling Project	147,842	-
Everton in the Community	1,500,000	-
Fun 4 Kidz	100,000	-
Garston Adventure	50,000	-
Healthbox CIC	293,476	-

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

	Grants to institutions 2021 £	Grants to institutions 2020 £
Homebaked Bakery	80,000	-
Homestart Knowsley	148,698	-
Homestart Wirral	104,136	-
Imagine IF Trust	120,000	-
Involve Northwest	249,530	-
JDRF	3,000,000	-
Journeymen	114,136	-
Jump Childrens Charity	55,954	-
Kensington Fields Community Association	134,000	-
Listening Ear	316,332	-
Liverpool FC Foundation	1,472,440	-
Liverpool Lighthouse	68,600	-
Liverpool Six Community Association	50,000	-
Love Jasmine	62,000	-
Maggies Cancer Caring Centres	3,000,000	-
Marybone Youth and Community Association	80,000	-
Merseyside Domestic Violence Service	52,454	-
Neo Community	83,000	-
Netherley Youth and Community Initiative	79,858	-
NeuroMuscular Centre	89,814	-
Passion for Learning	329,724	-
Priority Youth Project	120,000	-
Public Services Lab	104,000	-
Rainbow Hub	85,257	-
Right to Succeed	266,228	-
Rotunda Inclusive Hub	60,000	-
Rotunda Ltd	92,000	-
Shaftesbury Youth Club	100,000	-
St Andrews Community	103,283	-
Stick N Step	82,698	-
Target Football	248,000	-
Teardrops Supporting the Homeless	59,960	-
The Big Help Project	60,000	-
The Florrie	60,000	-
The Hope Centre	51,480	-
The Inclusion Network	83,496	-
The Joshua Tree	80,000	-
The Open Door Charity	116,115	-
The Paul Lavelle Foundation	69,408	-
The Port Grocery	225,000	-
The Phoenix Foundation	77,558	-
The Reader	924,600	-
The Way Youth Zone	200,000	-
Tim Parry Jonathan Ball Peace Foundation	146,950	-
Too Good to Waste	120,394	-
Torrington Drive Community Centre	50,000	-
Tranmere Rovers in the Community	145,762	-
Transforming Choice	129,079	-
Triple C	84,140	-
Vauxhall Community	120,000	-
Venus Working Creatively with Young Women	135,000	-
Wirral Youth Zone (The Hive)	200,000	-
Wirral Mencap	69,463	-

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

	Grants to institutions 2021 £	Grants to institutions 2020 £
Women's Enterprising Breakthrough	79,890	-
Women's Technology Training	371,180	-
Zoe's Place Trust	50,876	-
52 (2021) DCMS Grants under £50K	1,194,044	-
<u>Subtotal</u>	* 19,655,063	-
<u>SMILEY BUSES > £50K</u>		
Smiley Buses	** (87,730)	-
0 (2021), 9 (2020) Smiley Bus transactions under £50K	-	232,931
<u>Subtotal</u>	(87,730)	232,931
<u>DISCRETIONARY GRANT > £50k - Paid</u>		
JDRF	-	50,000
18 (2021), 33 (2020) Discretionary Grants under £50K	74,242	158,821
<u>Subtotal</u>	74,242	208,821
<u>Total</u>	25,676,202	9,595,216

All grant awards were made in the pursuit of the Charity's objectives as set out in the Trustees' report on page 2.

*Includes restricted grants of £9,814,279

**Grants reallocated to form part of the covid support programme.

8. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Payroll	-	136,723	136,723	154,992
Office expenses	5,440	48,998	54,438	102,080
Bank charges	1,780	-	1,780	833
Governance	9,599	-	9,599	19,231
Total	16,819	185,721	202,540	277,136

Support costs are allocated in full to grant funding activities on the basis that this is the key activity undertaken by the charity, with support costs being directly linked to these activities.

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

9. NET INCOME FOR THE YEAR

	2021 £	2020 £
Net income is stated after charging:		
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	<u>9,599</u>	<u>19,231</u>

Fees charged by the charity's auditor for the audit of the charity's annual financial statements is £10,000(2020: £9,600).

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021 No.	2020 No.
The average monthly number of employees was:		
Support	<u>3</u>	<u>5</u>

	2021 £	2020 £
Their aggregate remuneration comprised:		
Wages and salaries	81,807	89,527
Social security costs	37,872	44,070
Pension costs	<u>17,044</u>	<u>21,395</u>
	<u>136,723</u>	<u>154,992</u>

The number of Charity employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was £nil (2019/20: £nil).

Trustees' Remuneration

Trustees received no remuneration and were not reimbursed for any of their expenses during the year (2019/20: £nil). There are no other key management personnel for The Steve Morgan Foundation.

11. TAXATION

The Charity is a registered charity and does not trade. It is not liable to tax on any surplus arising.

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

12. FIXED ASSET INVESTMENTS

	Registered funds and listed investments £	Social investments £	Total £
Market value/Net book value brought forward at 1 April 2020	137,215,688	254,780	137,470,468
Additions	32,000,000	-	32,000,000
Disposal proceeds	(2,252,675)	-	(2,252,675)
Net investment Gain	66,201,534	-	66,201,534
Movements in cash	1,593,531	-	1,593,531
	<hr/>	<hr/>	<hr/>
Market value/Net book value carried forward at 31 March 2021	234,758,078	254,780	235,012,858
	<hr/>	<hr/>	<hr/>
Historical cost at 31 March 2021	196,082,471	254,780	196,337,251
	<hr/>	<hr/>	<hr/>

	2021 £	2020 £
Market value analysed between:		
Investments	232,016,913	136,068,054
Cash held by investment managers	2,741,165	1,147,634
	<hr/>	<hr/>
	234,758,078	137,215,688
	<hr/>	<hr/>

13. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	2,048	11,407
	<hr/>	<hr/>

14. CREDITORS

	2021 £	2020 £
Amounts falling due within one year:		
Accruals for grants payable	11,350,544	8,707,901
Accruals and deferred income	9,300	17,100
	<hr/>	<hr/>
	11,359,844	8,725,001
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Accruals for grants payable	10,054,880	7,991,883
	<hr/>	<hr/>

THE STEVE MORGAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2021

15. EMPLOYEE RETIREMENT BENEFITS

Defined contribution scheme

The Charity operates a defined contribution retirement benefit scheme for all qualifying employees. The Charity's contribution to the scheme in the year was £17,044 (2019/20: £21,395).

16. RELATED PARTY TRANSACTIONS

The Trustees are required to disclose all relevant interests and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises. Some services have been provided by Bridgemere UK PLC, a company of which four of the trustees are directors. No adjustment has been made to reflect this as it is not possible to quantify the value of such services.

17. CASHFLOW STATEMENT

	2021 £	2020 £
Reconciliation of net income/(expenditure) to cash generated from/(used in) operations:		
Net /income/(expense) for the year	53,349,039	(21,269,449)
Adjustments for:		
Interest receivable	(3,851,572)	(9,402,287)
(Gain)/Loss on investments	(66,201,534)	22,861,438
Operating cash flow before movement in working capital	(16,704,067)	(7,810,298)
Decrease/(Increase) in debtors	9,359	(11,407)
Increase in creditors	4,697,841	4,467,569
Cash generated from/(used in) operating activities	(11,996,867)	(3,354,136)

