

**THE STEVE MORGAN FOUNDATION**

**Annual Report and Financial Statements**

**Year ended 31 March 2022**

# 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

Baillie Gifford  
1 Calton Hill  
Greenside Row  
Edinburgh  
EH1 3AN

UBS Wealth Management  
5 Broadgate  
London  
EC2M 2AN

Brown Advisory  
18 Hanover Square 1<sup>st</sup> floor  
London  
W1S 1JY

### **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 2022. 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.

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.

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.

# **THE STEVE MORGAN FOUNDATION**

## **TRUSTEES' REPORT (CONTINUED)**

### **ACHIEVEMENTS AND PERFORMANCE**

The Charity has awarded a record level of grants of £52,851,159 (2020/21: £25,805,095) 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 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 impact of the Diabetes UK/JDRF Grand Challenge grant, which, at £50,000,000, represented the largest single grant ever awarded by the Foundation, and received worldwide recognition. However, as a consequence of the exceptional level of support given to local charities during the previous year through the match-funded Department for Digital, Culture Media and Sport scheme, regional grants awarded during the year of £1,824,711 (2020/21: £376,733) 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 £142,508 during the year (2020/21: £41,163) and an additional £220,551 of discretionary grants were awarded. A further £198,000 of grants were awarded as Entrepreneur Awards given out at our biennial conference. £50,277,573 was awarded in total to Major Grants.

### **FINANCIAL REVIEW AND INVESTMENT POLICY**

The results for the year ended 31 March 2022 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 £47,692,181 (2020: net expenditure £12,852,494). Total income fell from £13,963,449 to £6,507,798 due to the impact of the DCMS grant funding received during the previous year. Meanwhile, awards granted to institutions during the year increased from £25,676,202 to £52,678,343. Grant commitments due within one year increased to £19,351,917 (2020/21: £11,350,544). Grant commitments due after more than one year were £44,724,395 (2020/21: £10,054,880).

The closing net asset position fell to £255,155,474 (2020/21: £304,658,471) largely as a consequence of the major grant award noted above. Investment losses of £1,810,816 (2020/21: gains of £66,201,534) were recorded during the year. Whilst investment markets continued to perform strongly during the first nine months of the year, the first quarter of the 2022 calendar year saw a reversal which extinguished all gains booked during the year to date.

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 2021/22 amount to £255,155,474 (2020/2021: £304,658,471). 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 2022/2023 the level of grants awarded will fall below last year's record levels.

### 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. (2020/21: £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:

22/9/22

# **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 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 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 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

## Independent auditor's report to the trustees of The Steve Morgan Foundation (continued)

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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

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 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](http://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:

# THE STEVE MORGAN FOUNDATION

## Independent auditor's report to the trustees of The Steve Morgan Foundation (continued)

- 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;
- 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

27 September 2022

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.

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Year ended 31 March 2022**

		Unrestricted and Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	Note	£	£	£	£
<b>INCOME FROM:</b>					
Donations	3	13,742	111,877	10,000,000	10,111,877
Investments	4	6,494,056	3,851,572	-	3,851,572
<b>TOTAL INCOME</b>		<b>6,507,798</b>	<b>3,963,449</b>	<b>10,000,000</b>	<b>13,963,449</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	1,090,297	808,308	-	808,308
Charitable activities	6	53,109,681	16,007,635	10,000,000	26,007,635
<b>TOTAL EXPENDITURE</b>		<b>54,199,978</b>	<b>16,815,943</b>	<b>10,000,000</b>	<b>26,815,943</b>
<b>Net (expenditure) before investment gains</b>		<b>(47,692,181)</b>	<b>(12,852,494)</b>	<b>-</b>	<b>(12,852,494)</b>
(Losses)/Gains on investment assets	12	(1,810,816)	66,201,534	-	66,201,534
<b>Net (Expense)/ income for the year</b>		<b>(49,502,997)</b>	<b>53,349,040</b>	<b>-</b>	<b>53,349,040</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(49,502,997)</b>	<b>53,349,040</b>	<b>-</b>	<b>53,349,040</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		304,658,471	251,309,431	-	251,309,431
Net movement in funds for the year		(49,502,997)	53,349,040	-	53,349,040
<b>Total funds carried forward</b>		<b>255,155,474</b>	<b>304,658,471</b>	<b>-</b>	<b>304,658,471</b>

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

There were no restricted funds received or spent during the year to 31<sup>st</sup> March 2022.

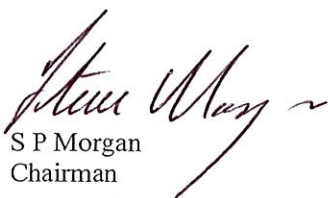
All income and expenditure derives from continuing activities.

# THE STEVE MORGAN FOUNDATION

## BALANCE SHEET As at 31 March 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investments	12	283,227,415	235,012,858
<b>CURRENT ASSETS</b>			
Debtors	13	4,248	2,048
Cash at bank and in hand		36,036,556	91,058,290
		<u>36,040,804</u>	<u>91,060,337</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(19,388,350)</u>	<u>(11,359,844)</u>
<b>NET CURRENT ASSETS</b>		<u>16,652,454</u>	<u>79,700,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		299,879,869	314,713,351
<b>CREDITORS: amounts falling due after more than one year</b>	14	<u>(44,724,395)</u>	<u>(10,054,880)</u>
<b>NET ASSETS</b>		<u>255,155,474</u>	<u>304,658,471</u>
<b>FUNDS</b>			
Unrestricted funds		<u>255,155,474</u>	<u>304,658,471</u>

These financial statements of The Steve Morgan Foundation Charity Number 1087056 were approved by the Board of Trustees and authorised for issue on 27 Sept 2022. 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 2022

	Note	2022 £	2021 £
Net cash flows from/(used in) operating activities	17	<u>(11,490,417)</u>	<u>(11,996,867)</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends received	4	6,494,056	3,851,572
Proceeds from sale of investments		48,533	2,252,675
Purchase of investments		(50,000,000)	(32,000,000)
Movement in cash held by investment managers		<u>(73,906)</u>	<u>(1,593,531)</u>
Net cash flows (used in) investing activities		<u>(43,531,317)</u>	<u>(27,489,284)</u>
Net (decrease) in cash and cash equivalents		<u>(55,021,734)</u>	<u>(39,486,150)</u>
Cash and cash equivalents at beginning of year		<u>91,058,290</u>	<u>130,544,440</u>
Cash and cash equivalents at the end of the year		<u><u>36,036,556</u></u>	<u><u>91,058,290</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

### 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 2022

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 2022

### 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 and Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Donations including gift aid	13,742	111,877	10,000,000	10,111,877
	<u>13,742</u>	<u>111,877</u>	<u>10,000,000</u>	<u>10,111,877</u>

### 4. ANALYSIS OF INCOME FROM INVESTMENTS

	2022 £	2021 £
UK Investment Income	6,477,266	3,646,094
Bank and treasury deposit interest	16,790	205,478
	<u>6,494,056</u>	<u>3,851,572</u>

### 5. ANALYSIS OF COST OF RAISING FUNDS

	2022 £	2021 £
Investment Management Fees	1,090,297	808,308
	<u>1,090,297</u>	<u>808,308</u>



# THE STEVE MORGAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted and Total Funds	Unrestricted Funds	Restricted Funds	Total
	2022	2021	2021	2021
	£	£	£	£
<b>Activity - general grant awards</b>				
Grants made to institutions (note 7)	52,678,343	15,861,923	9,814,279	25,676,202
Grants made to individuals	172,816	128,893	-	128,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total	52,851,159	15,990,816	9,814,279	25,805,095
Support costs (note 8)	258,521	16,819	185,721	202,540
	<hr/>	<hr/>	<hr/>	<hr/>
	53,109,680	16,007,635	10,000,000	26,007,635
	<hr/>	<hr/>	<hr/>	<hr/>

### 7. ANALYSIS OF GRANT AWARD EXPENDITURE

	Grants to institutions 2022	Grants to institutions 2021
	£	£
<b>Grants awarded in the pursuit of the charity's objectives</b>		
<b><u>MAJOR GRANTS</u></b>		
Maggies Clatterbridge	57,573	-
Reader Organisation	120,000	-
The Way	**	(114,831)
Duke of Edinburgh Award Scheme	100,000	-
Shine Right to Succeed		1,968,058
Liverpool FC Foundation	**	(479,106)
DUK/JDRF – Grand Challenge	50,000,000	-
	<hr/>	<hr/>
<b><u>Subtotal</u></b>	<b>50,277,573</b>	<b>1,374,121</b>

#### **REGIONAL GRANTS > £50K**

Canolfan Felin Fach Centre	62,986	-
Creating Adventures	60,000	-
Denbighshire Home-Start		60,000
Domestic Abuse Safety Unti North Wales	90,930	-
Homestart Conwy	76,000	-
Kinship Carers	75,000	-
Liverpool Cares	60,000	-
Martin Gallier Project	96,000	-
Merseyside Law Centre	81,669	-
Kim Inspire		144,958
Netherton Park Community	67,500	-
North Wales Recovery	75,600	-
RASA Merseyside	83,400	-
Rotunda Inclusive Hub	60,000	-
Ruby's Fund	78,428	-
Sahir House	81,232	-
Speke Childrens Enviro Community	86,400	-
The First Step	77,000	-
Thriving Spaces	78,600	-

# THE STEVE MORGAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

	Grants to institutions 2022 £	Grants to institutions 2021 £
Warrington Youth and Community	75,000	-
Warrington Youth Zone	50,000	-
26 (2022), 12 (2021) Regional Grants under £50K.	408,966	171,775
<b><u>Subtotal</u></b>	<b><u>1,824,711</u></b>	<b><u>376,733</u></b>

### **COVID-19 EMERGENCY FUND GRANTS >£50k**

Bradbury Fields	-	72,400
Centre 63	-	78,000
Crest Co-operative	-	63,898
Healthbox CIC	-	60,000
Maggies Centre	-	50,000
Neo Community	-	76,040
Passion for Learning	-	138,357
Positive Futures	-	75,825
Tomorrows Women Wirral	-	74,134
0 (2022), 445 (2021) Covid-19 Grants under £50,000	-	3,595,119
<b><u>Subtotal</u></b>	<b><u>-</u></b>	<b><u>4,283,773</u></b>

### **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 2022

	Grants to institutions 2022 £	Grants to institutions 2021 £
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 2022

	Grants to institutions 2022 £	Grants to institutions 2021 £
Women's Enterprising Breakthrough	-	79,890
Women's Technology Training	-	371,180
Zoe's Place Trust	-	50,876
1 (2022) 52 (2021) DCMS Grants under £50K	15,000	1,194,044
<b><u>Subtotal</u></b>	<b>* 15,000</b>	<b>19,655,063</b>

### **ENTREPRENEUR AWARDS**

Entrepreneur Awards	198,000	-
45 (2022), 0 (2021)	-	-
<b><u>Subtotal</u></b>	<b>198,000</b>	<b>-</b>

### **SMILEY BUSES > £50K**

Smiley Buses	** 142,508	(87,730)
5 (2022), 0 (2021) Smiley Bus transactions under £50K	-	-
<b><u>Subtotal</u></b>	<b>142,508</b>	<b>(87,730)</b>

### **DISCRETIONARY GRANT > £50k - Paid**

Derwen College	50,000	-
UBS Covid Recovery	80,000	-
17 (2022), 18 (2021) Discretionary Grants under £50K	90,551	74,242
<b><u>Subtotal</u></b>	<b>220,551</b>	<b>74,242</b>

<b><u>Total</u></b>	<b>52,678,343</b>	<b>25,676,202</b>
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All grant awards were made in the pursuit of the Charity's objectives as set out in the Trustees' report on page 2.

\*Prior year disclosures include restricted grants of £9,814,279

\*\*Prior year numbers include grants reallocated to form part of the covid support programme.

# THE STEVE MORGAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 8. ANALYSIS OF SUPPORT COSTS

	Unrestricted and Total funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Payroll	146,718	-	136,723	136,723
Office expenses	95,768	5,440	48,998	54,438
Bank charges	1,335	1,780	-	1,780
Governance	14,700	9,599	-	9,599
<b>Total</b>	<b>258,521</b>	<b>16,819</b>	<b>185,721</b>	<b>202,540</b>

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.

### 9. NET INCOME FOR THE YEAR

	2022 £	2021 £
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	14,700	9,599

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

	2022 No.	2021 No.
The average monthly number of employees was:		
Support	4	3
	2022 £	2021 £
Their aggregate remuneration comprised:		
Wages and salaries	88,318	81,807
Social security costs	39,371	37,872
Pension costs	19,029	17,044
	<b>146,718</b>	<b>136,723</b>

The number of Charity employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was £nil (2020/21: £nil).

# THE STEVE MORGAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### Trustees' Remuneration

Trustees received no remuneration and were not reimbursed for any of their expenses during the year (2020/21: £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.

### 12. FIXED ASSET INVESTMENTS

	Registered funds and listed investments £	Social investments £	Total £
Market value/Net book value brought forward at 1 April 2021	234,758,078	254,780	235,012,858
Additions	50,000,000	-	50,000,000
Disposal proceeds	(48,533)	-	(48,533)
Net investment Loss	(1,810,816)	-	(1,810,816)
Movements in cash	73,906	-	73,906
Market value/Net book value carried forward at 31 March 2022	282,972,635	254,780	283,227,415
Historical cost at 31 March 2022	246,082,471	254,780	246,337,251
		2022 £	2021 £
Market value analysed between:			
Investments		280,157,863	232,016,913
Cash held by investment managers		2,815,071	2,741,165
		282,972,635	234,758,078

### 13. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Prepayments and accrued income	4,248	2,048

# THE STEVE MORGAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 14. CREDITORS

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Accruals for grants payable	19,351,917	11,350,544
Accruals and deferred income	36,433	9,300
	<u>19,388,350</u>	<u>11,359,844</u>
<b>Amounts falling due after more than one year:</b>		
Accruals for grants payable	<u>44,724,395</u>	<u>10,054,880</u>

### 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 £19,029 (2020/21: £17,044).

### 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

	2022 £	2021 £
<b>Reconciliation of net (expenditure) / income to cash generated from/(used in) operations:</b>		
Net (expense) /income for the year	(49,502,997)	53,349,039
Adjustments for:		
Interest receivable	(6,494,056)	(3,851,572)
Loss/(Gain) on investments	1,810,817	(66,201,534)
Operating cash flow before movement in working capital	<u>(54,186,236)</u>	<u>(16,704,067)</u>
(Increase)/Decrease in debtors	(2,201)	9,359
Increase in creditors	<u>42,698,020</u>	<u>4,697,841</u>
<b>Cash (used in) operating activities</b>	<u>(11,490,417)</u>	<u>(11,996,867)</u>

