

CHARITY REGISTRATION NUMBER: 1103709

The Marcia and Andrew Brown Charitable Trust
Financial Statements
31 May 2022

The Marcia and Andrew Brown Charitable Trust

Financial Statements

Year ended 31 May 2022

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The Marcia and Andrew Brown Charitable Trust

Trustees' Annual Report

Year ended 31 May 2022

The trustees present their report and the financial statements of the charity for the year ended 31 May 2022.

Reference and administrative details

Registered charity name	The Marcia and Andrew Brown Charitable Trust
Charity registration number	1103709
Principal office	Gresham House 5-7 St Pauls Street Leeds LS1 2JG

The trustees

A Brown MBE
M Brown

Auditor

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Structure, governance and management

The Marcia and Andrew Brown Charitable Trust is a registered charity, number 1103709, the governing instrument being the trust deed dated 10 February 2004.

The trustees, who served throughout the year, are summarised on page I. Appeals are considered as they are received and the trustees will make donations throughout the year. Appointment of new trustees is at the discretion of the existing trustees. New trustees are briefed about the charity's objectives and how they have been achieved in the past.

The Marcia and Andrew Brown Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 May 2022

Objectives and activities

The charity's objects are to make donations and grants for the benefit of such exclusively charitable objects and purposes or such registered charities for their work in any part of the world as the trustees may in their discretion think fit.

Public benefit

The trustees have had regard to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

In particular the trustees consider how planned activities will contribute to the charity's aims and the objectives they have set.

They consider that they have complied with their duty under section 17(5) of the Charities Act 2011.

The charity's main activities, achievements and benefits are described below.

Achievements and performance (incorporating financial review)

The trustees made donations totalling £80,981 during the year to various other charities (2021 - £53,155).

Historically a bad debt provision has been included against a loan the charity made to a charitable company as repayment was only triggered by certain events which were not considered likely to occur. During the year the charitable company the loan was made to entered administration. Due to the result of the administration the loan is considered to be repayable in full, with a part payment being received during the year ended 31 May 2022 and the balance received after the year end. This has resulted in a credit to the Statement of Financial Activities of £1,649,993.

There was a positive net movement in funds for the year of £1,762,605 (2021 - £336,825) which has been transferred to the unrestricted fund.

Going concern

In accordance with their responsibilities, the trustees have considered the appropriateness of the going concern basis for the preparation of the financial statements. After making enquiries, the trustees have reasonable expectation that the Charity has adequate resources to continue in operational existence for a minimum of twelve months from the date of approval of these accounts and that adequate resources are available to meet all obligations. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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.

The Marcia and Andrew Brown Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 May 2022

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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, the applicable Charities (Accounts and Reports) Regulations, 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' annual report was approved on 1 March 23 and signed on behalf of the board of trustees by:



A Brown MBE
Trustee

The Marcia and Andrew Brown Charitable Trust

Independent Auditor's Report to the Members of The Marcia and Andrew Brown Charitable Trust

Year ended 31 May 2022

Opinion

We have audited the financial statements of The Marcia and Andrew Brown Charitable Trust (the 'charity') for the year ended 31 May 2022 which comprise the statement of financial activities, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 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.

The Marcia and Andrew Brown Charitable Trust

Independent Auditor's Report to the Members of The Marcia and Andrew Brown Charitable Trust *(continued)*

Year ended 31 May 2022

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Without qualifying our opinion we draw attention to the Accounting Policies in note 3 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company applied their entitlement to exemption from audit in the prior year.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the 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.

The Marcia and Andrew Brown Charitable Trust

Independent Auditor's Report to the Members of The Marcia and Andrew Brown Charitable Trust *(continued)*

Year ended 31 May 2022

Auditor's responsibilities for the audit of the financial statements

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

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 obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and donation income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- reviewing accounting estimates for biases,
- carrying out detailed substantive testing on the completeness of income; and - we have not received all the information and explanations we require for our audit; or
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The Marcia and Andrew Brown Charitable Trust

Independent Auditor's Report to the Members of The Marcia and Andrew Brown Charitable Trust *(continued)*

Year ended 31 May 2022

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Marcia and Andrew Brown Charitable Trust

Independent Auditor's Report to the Members of The Marcia and Andrew Brown Charitable Trust *(continued)*

Year ended 31 May 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Sagars

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

27 March 2023

The Marcia and Andrew Brown Charitable Trust

Statement of Financial Activities

Year ended 31 May 2022

		2022	2021
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	200,000	400,000
Investment income	5	122	20
Total income		<u>200,122</u>	<u>400,020</u>
Expenditure			
Expenditure on charitable activities	6,7	(1,562,483)	63,195
Total expenditure		<u>(1,562,483)</u>	<u>63,195</u>
Net income and net movement in funds		<u>1,762,605</u>	<u>336,825</u>
Reconciliation of funds			
Total funds brought forward		775,024	438,199
Total funds carried forward		<u>2,537,629</u>	<u>775,024</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 11 to 15 form part of these financial statements.

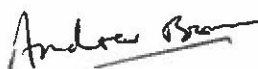
The Marcia and Andrew Brown Charitable Trust

Statement of Financial Position

31 May 2022

	Note	2022 £	2021 £
Current assets			
Debtors	12	1,150,023	—
Cash at bank and in hand		1,393,606	780,004
		<u>2,543,629</u>	<u>780,004</u>
Creditors: amounts falling due within one year	13	6,000	4,980
Net current assets		<u>2,537,629</u>	<u>775,024</u>
Total assets less current liabilities		<u>2,537,629</u>	<u>775,024</u>
Net assets		<u>2,537,629</u>	<u>775,024</u>
Funds of the charity			
Unrestricted funds		2,537,629	775,024
Total charity funds	14	<u>2,537,629</u>	<u>775,024</u>

These financial statements were approved by the board of trustees are signed on behalf of the board by:



A Brown MBE
Trustee

1 March - 2023

The notes on pages 11 to 15 form part of these financial statements.

The Marcia and Andrew Brown Charitable Trust

Notes to the Financial Statements

Year ended 31 May 2022

1. General information

The Marcia and Andrew Brown Charitable Trust is a registered charity, number 1103709, the governing instrument being the trust deed dated 10 February 2004. The registered office of the charity is Gresham House, 5-7 St Pauls Street, Leeds, LS1 2JG

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The comparative information in the accounts is unaudited as the charity applied their entitlement to exemption from audit in the year ended 31st May 2021.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Incoming resources

All income is included in the statement of financial activities when received by the charity.

- income from donations or grants is recognised when received.

The Marcia and Andrew Brown Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised when paid. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations received	200,000	200,000	400,000	400,000

5. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest received	122	122	20	20

The Marcia and Andrew Brown Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Charitable grants to various charities	80,981	80,981	53,155	53,155
Support costs	(1,643,464)	(1,643,464)	10,040	10,040
	<u>(1,562,483)</u>	<u>(1,562,483)</u>	<u>63,195</u>	<u>63,195</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable grants to various charities	80,981	(1,649,465)	(1,568,484)	63,195
Governance costs	—	6,001	6,001	—
	<u>80,981</u>	<u>(1,643,464)</u>	<u>(1,562,483)</u>	<u>63,195</u>

8. Analysis of support costs

	Charitable grants to various charities £	Total 2022 £	Total 2021 £
Finance costs	6,420	6,420	9,960
Governance costs	109	109	80
Write back of loan provision	(1,649,993)	(1,649,993)	—
	<u>(1,643,464)</u>	<u>(1,643,464)</u>	<u>10,040</u>

9. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>—</u>

10. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	—	3,600
Other financial services	<u>420</u>	<u>6,360</u>
	<u>420</u>	<u>9,960</u>

The Marcia and Andrew Brown Charitable Trust

Notes to the Financial Statements (continued)

Year ended 31 May 2022

11. Trustee remuneration and expenses

No remuneration or other benefits from the charity or a related entity were received by the trustees.

12. Debtors

	2022 £	2021 £
Other debtors - Provision for bad debt on loan	–	(1,650,023)
Other debtors	1,150,023	1,650,023
	<u>1,150,023</u>	<u>–</u>

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	<u>6,000</u>	<u>4,980</u>

14. Analysis of charitable funds

Unrestricted funds

	At 1 June 2021 £	Income £	Expenditure £	At 31 May 2022 £
General funds	<u>775,024</u>	<u>200,122</u>	<u>1,562,483</u>	<u>2,537,629</u>
	At 1 June 2020 £	Income £	Expenditure £	At 31 May 2021 £
General funds	<u>438,199</u>	<u>400,020</u>	<u>(63,195)</u>	<u>775,024</u>

15. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Current assets	2,543,629	2,543,629
Creditors less than 1 year	(6,000)	(6,000)
Net assets	<u>2,537,629</u>	<u>2,537,629</u>
	Unrestricted Funds £	Total Funds 2021 £
Current assets	780,004	780,004
Creditors less than 1 year	(4,980)	(4,980)
Net assets	<u>775,024</u>	<u>775,024</u>

The Marcia and Andrew Brown Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

16. Related parties

Interest free loans of £1,650,000 had been provided by the Charitable Trust to a Charitable Company with which a Trustee is also a Trustee. The loan was subject to a fixed and floating charge over the assets of the Charitable Company which entered Administration during the year. Part of the loan was repaid during the year and the remaining balance £1,150,023 has been included within other debtors.

