

Charity Registration No. 1140648

**THE MABS MARDULYN CHARITABLE FOUNDATION**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2021**

# THE MABS MARDULYN CHARITABLE FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	MMCF Trustee Limited
Charity number	1140648
Principal address	Alexandra House St Johns Street Salisbury Wiltshire SP1 2SB
Independent examiner	James Fletcher FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury SP1 2LZ
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury Wiltshire SP1 2SB
Investment advisors	Quilter Cheviot Investment Management 90 Long Acre London WC2E 9RA  SAGA S.A. 13 rue Ceard Case Postale 3638 CH-1211 Geneva 3 Switzerland  Julius Baer & Co Ltd Lefebvre Court, Lefebvre Street St Peter Port Guernsey Channel Islands GY1 4BS

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# THE MABS MARDULYN CHARITABLE FOUNDATION

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# THE MABS MARDULYN CHARITABLE FOUNDATION

## TRUSTEE'S REPORT

### FOR THE YEAR ENDED 5 APRIL 2021

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The Trustee presents its report and accounts for the year ended 5 April 2021.

#### Background and Scope

The foundation was created by a deed dated 16 July 2006 as a trust exclusively for charitable purposes. The foundation was registered with the Charity Commission on 2 March 2011.

The foundation was created by Mrs Mabel Bronwyn Mardulyn who died on 10 March 2008. Under her UK will, the residue of her UK estate was bequeathed to the foundation. The estate had insufficient funds to cover legacies so the bequest to the foundation abated. Under her Hong Kong will, the residue of her Non-UK estate was bequeathed to the foundation. The first distribution of assets from the Non-UK estate was made in October 2013. Further substantial distributions were made in 2014/15 and the final balance in 2015/16.

#### Aims & Objectives

The Trustee shall hold the capital and income of the foundation upon trust to apply the income, and all such parts of the capital, as the Trustee may in its discretion think fit, for the assistance of the beneficiaries in furtherance of the objects. The objects shall be:

1. The relief of poverty;
2. The advancement of education; and
3. The relief of those who are in need by reason of disability.

The following words shall have the following meanings:

- A. Beneficiaries shall mean young persons or elderly persons in need of financial assistance and who are:
  - i permanent residents of the United Kingdom of Great Britain and Northern Ireland or who are holders of United Kingdom of Great Britain and Northern Ireland passports; or
  - ii who are permanent residents of the Hong Kong Special Administrative Region, Peoples Republic of China or who hold passports issued by the Hong Kong Special Administrative Region, Peoples Republic of China
- B. Young persons shall mean persons under the age of 25 years of age
- C. Elderly persons shall mean persons over the age of 65 years of age

#### Public Benefit

The Trustee confirms that it has complied with the duty in Section 17 of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

#### Record Keeping

The foundation's records are kept at Wilsons Solicitors. Most are kept in both paper copies and electronically, making use of Wilsons Solicitors' computer systems which are properly backed up.

# THE MABS MARDULYN CHARITABLE FOUNDATION

## TRUSTEE'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2021**

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### **Achievements and performance**

The foundation was able to award grants totalling £406,241.76 being an increase of £150,238.76 compared with the previous year. The Trustee's objectives in relation to its grant-making activity for the year were:-

- (a) To provide grants in accordance with the aims and objectives of the foundation, in order to relieve poverty, advance education and provide relief to those in need by reason of disability to qualifying beneficiaries; and
- (b) To provide such grants in both the United Kingdom and Hong Kong.

The Trustee feels that it achieved these objectives.

Gains on the foundation's investments were £2,968,171.71 including foreign currency adjustments. The income from the investments for the year was £149,201.38.

The total increase in funds after investment gains and losses was £2,549,278.75 (2020: net decrease after investment gains and losses £593,265.43).

As at 5 April 2021 the unrestricted net assets of the charity were £14,078,249.74 (2020: £11,528,970.99).

The Trustee's policy relating to the award of grants is in most cases to make the grant to an institution with those institutions applying the funds to individuals according to need and merit.

The foundation does not engage in fundraising. The major factor outside the Trustee's control that has an impact on the foundation's objectives is the performance of the investments.

### **Future Plans**

The Trustee plans to continue its policy of providing grants and bursaries both in the United Kingdom and Hong Kong.

### **Financial review**

For the purposes of comparison with previous and future years and in order to provide a true picture of the financial position of the Foundation at the accounting date, charitable grants due to be paid out after the year end for agreed projects have been included in the statements for this period.

The establishment of a permanent endowment in the year to 5 April 2015 resulted in a grant, overall, of £565,000 in that year. The Trustee will consider similar projects in the future, but these are unlikely to be funded on an annual basis. The likely level of grants may therefore vary significantly from year to year.

### **Investment Policy**

The Trustee has delegated its investment management function to three investment advisors. Two of the investment management accounts were set up by 5 April 2015 and the third was set up shortly thereafter. The Trustee allocated approximately a one third share of the available funds to each investment advisor so as to allow them to spread risk and to review comparative performances.

The Trustee has assessed the major risks to which the foundation is exposed, and is satisfied that systems are in place to mitigate exposure to the major risks.

# THE MABS MARDULYN CHARITABLE FOUNDATION

## TRUSTEE'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2021**

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The Trustee has set a policy that the capital should be invested so as to maximise the total return (capital growth plus income) with a medium level of risk.

The Trustee was satisfied with the performance of the invested funds during the year.

The Trustee does not impose any ethical, social or environmental constraints upon the investment advisers. Under the Trustee Act 2000, the Trustee may invest the foundation assets as if it was absolutely entitled to them.

### Reserves Policy

The Trustee has reviewed its reserves policy. The Trustee has made provision for liquid funds to cover the anticipated grants and expenses in the coming year.

### Principal Source of Funding

Now that all the funds have been received from Mrs Mardulyn's estate, the three investment portfolios will generate income and capital growth from which the grants will be met. The investments are managed by Quilter Cheviot, Julius Baer and SAGA S.A..

### Trustees

The Corporate Trustee in office as at 5 April 2021 is listed on the Legal and Administrative page of the report and accounts. New Trustees must be appointed by a resolution of the Trustees and in selecting individuals as Trustees, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the foundation. The Trustees must make available to each new Trustee on his/her first appointment a copy of the foundation's deeds and a copy of the foundation's latest report and statement of accounts.

### Risk Policy

The Trustee minimises investment risk through the use of three professional investment advisors and the maintenance of three investment portfolios. General operating risk is minimised through the regular review of procedures, by the Trustee.

The trustee's report was approved by the Board of Directors.

  
.....  
John Nicholas Cotton  
Director MMCF Trustee Limited

Dated:  .....

# THE MABS MARDULYN CHARITABLE FOUNDATION

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

**FOR THE YEAR ENDED 5 APRIL 2021**

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The Trustee is responsible for preparing the Trustee's Report and the accounts 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 trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the the foundation and of the incoming resources and application of resources of the the foundation for that year.

In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the the foundation and enable it to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the the foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE MABS MARDULYN CHARITABLE FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE MABS MARDULYN CHARITABLE FOUNDATION

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I report on the accounts of the foundation for the year ended 5 April 2021, which are set out on pages 6 to 13.

#### Respective responsibilities of trustees and examiner

The foundation's trustee is responsible for the preparation of the accounts. The foundation's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the foundation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### Independent examiner's statement

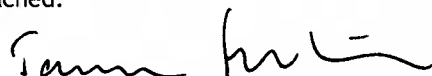
Your attention is drawn to the fact that the charity has prepared accounts in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Fletcher FCA



Fletcher & Partners  
Crown Chambers  
Bridge Street  
Salisbury  
SP1 2LZ

Dated: 1 March 2022



# THE MABS MARDULYN CHARITABLE FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	2020 £
<b><u>Income from:</u></b>			
Investments	2	149,201.38	186,423.03
<b><u>Expenditure on:</u></b>			
Raising funds	3	(107,347.01)	(92,414.28)
Charitable activities	4	(460,747.33)	(298,407.69)
<b>Total expenditure</b>		<b>(568,094.34)</b>	<b>(390,821.97)</b>
Net gains/(losses) on investments	7	2,968,171.71	(388,866.49)
<b>Net movement in funds</b>		<b>2,549,278.75</b>	<b>(593,265.43)</b>
Fund balances at 6 April 2020		11,528,970.99	12,122,236.42
<b>Fund balances at 5 April 2021</b>		<b>14,078,249.74</b>	<b>11,528,970.99</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

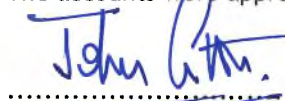
# THE MABS MARDULYN CHARITABLE FOUNDATION

## BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	11	14,103,883.67		11,531,490.28	
<b>Current assets</b>					
Debtors	9	3,247.46		6,110.12	
Cash at bank and in hand		79,480.52		62,459.49	
		82,727.98		68,569.61	
<b>Creditors: amounts falling due within one year</b>	10	(108,361.91)		(71,088.90)	
Net current liabilities		(25,633.93)		(2,519.29)	
<b>Total assets less current liabilities</b>		14,078,249.74		11,528,970.99	
Unrestricted funds		14,078,249.74		11,528,970.99	
		14,078,249.74		11,528,970.99	

The accounts were approved by the Trustees on ....28 January 2022



John Nicholas Cotton (Director MMCF Trustee Limited)



Hung Cheng (Director MMCF Trustee Limited)

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 5 APRIL 2021**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing from 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The foundation constitutes a public benefit entity as defined by FRS 102.

The trustee considers that there are no material uncertainties about the foundation's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts relate to the valuation of investments at the year end, and the related calculation of realised and unrealised gains in these accounts.

#### **1.2 Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustee in furtherance of its charitable objectives unless the funds have been designated for other purposes.

#### **1.3 Income**

All income is recognised once the foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Cash donations are recognised on receipt. Other donations are recognised once the the foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### **1.4 Expenditure**

Expenditure is accounted for on an accruals basis.

##### **(i) Charitable activities**

Grants payable are recognised as expenditure when a commitment has been made and there are no conditions to be met relating to the grant which remain under the control of the foundation. Charitable activities include all expenditure associated with grantmaking and include governance costs.

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

### 1 Accounting policies

(Continued)

#### (ii) Support costs

Support costs consist entirely of the governance costs which comprise the audit, legal advice and compliance with constitutional and statutory requirements.

#### (iii) Cost of raising funds

This expenditure is in respect of investment advisory fees charged during the year by the foundation's investment advisors.

### 1.5 Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

### 1.6 Debtors

Debtors are measured at the amounts the foundation anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

### 1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and cash on deposit.

### 1.8 Creditors

Creditors are recognised at the amounts the foundation anticipates it will pay to settle a debt.

### 2 Investments

	2021	2020
	£	£
Income from listed investments	147,287.08	181,305.23
Interest receivable	41.78	382.62
Accrued income	1,872.52	4,735.18
	<u>149,201.38</u>	<u>186,423.03</u>

### 3 Raising funds

	2021	2020
	£	£
<u>Investment management</u>	<u>107,347.01</u>	<u>92,414.28</u>
	<u>107,347.01</u>	<u>92,414.28</u>

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

### 4 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 5)	406,241.76	256,003.00
Share of governance costs (see note 6)	54,505.57	42,404.69
	<u>460,747.33</u>	<u>298,407.69</u>

### 5 Grants payable

	2021 £	2020 £
Grants to institutions:	286,000.00	197,500.00
Grants to individuals:	120,241.76	58,503.00
	<u>406,241.76</u>	<u>256,003.00</u>

### 6 Support costs

	2021 £	2020 £
Independent Examinations fees	2,400.00	2,400.00
Trustee Expenses	95.92	6,686.76
Legal fees	50,664.60	32,340.00
Sundry disbursements	948.00	467.52
Bank charges	30.05	17.84
Federal stamp	-	125.57
Legal fees re Trust Company	367.00	367.00
	<u>54,505.57</u>	<u>42,404.69</u>

There were no employees in either year.

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

7	Unrealised and realised gains/(losses)	2021 £	2020 £
	Realised gains on sales of investments	468,498.04	360,537.20
	Revaluation of investments	2,499,673.67	(749,403.69)
	Net gains/(losses) on investments	<u>2,968,171.71</u>	<u>(388,866.49)</u>

## 8 Trustees

One of the Corporate Trustee directors was reimbursed for the cost of a Zoom subscription to facilitate the holding of directors' meetings by video conference during the coronavirus pandemic. None of the Corporate Trustee directors received any remuneration in either financial year.

£42,431.76 of grants to individuals were paid to the uncle of two of the Corporate Trustee directors (2020: £34,553). These grants were awarded in accordance with the foundation's standard procedures.

## 9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>3,247.46</u>	<u>6,110.12</u>

## 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	<u>108,361.91</u>	<u>71,088.90</u>

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

### 11 Fixed Asset Investments

	Equities	Bonds	Other	Cash	2021 £	2020 £
Market value at 5 April 2020	7,825,124.99	2,935,668.45	643,412.29	127,284.55	11,531,490.28	12,113,569.12
Acquisitions in year	1,571,412.62	1,402,508.72	178,873.59		3,152,794.93	2,372,931.36
Disposals in year at carrying value	(1,870,653.20)	(1,581,260.65)	(105,570.47)		(3,557,484.32)	(2,432,598.17)
Unrealised gains/(losses) on revaluation	2,199,254.27	129,075.01	353,134.22		2,681,463.50	(502,070.69)
Increase/(decrease) in investment cash				295,619.28	295,619.28	(20,341.34)
Market value at 5 April 2021	<u>9,725,138.68</u>	<u>2,885,991.53</u>	<u>1,069,849.63</u>	<u>422,903.83</u>	<u>14,103,883.67</u>	<u>11,531,490.28</u>
Listed on recognised stock exchanges					13,680,979.84	11,404,205.73
Cash					422,903.83	127,284.55
					<u>14,103,883.67</u>	<u>11,531,490.28</u>
	Equities	Bonds	Other		£	£
Historical cost at 5 April 2021	5,597,544.55	2,772,512.00	1,011,177.34		9,381,233.89	£9,603,848.03

# THE MABS MARDULYN CHARITABLE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2021**

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### **12 Corporate Trustee**

The corporate trustee, MMCF Trustee Limited, is the sole trustee of The Mabs Mardulyn Charitable Foundation.

The directors of MMCF Trustee Limited throughout the year were:

Hung Cheng  
Simon Jeremy Macomber Churn  
John Nicholas Cotton  
Diana Lesley Scott

### **13 Covid-19 Pandemic**

The Covid-19 pandemic emerged in January 2020 but did not have a material impact on these accounts. In the current financial year there was a global fall in world stockmarkets, although investments have started to regain their value. The UK Government and other Governments introduced measures to slow the spread of the virus, these have impacted on the global economy. The foundation is a grant making trust, in the short term there may be a fall in investment income and investment valuations. The Trustees believe that the foundation is financially strong and will take a long-term view regarding the level of future donations awarded.