

# NML FOUNDATION

England & Wales · Charity number 1150493

## Details

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**Other names** NMLF

**Status** Registered

**Legal form** Charitable company

**Company number** [08066776](#)

**Registered** 2013-01-15

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Duncan Sheard Glass  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

**Phone** 0151 294 5400

**Email** [tb@dsg.uk.com](mailto:tb@dsg.uk.com)

## Activities

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**Objects:** TO ADVANCE, IN ANY MANNER IN WHICH THE TRUSTEES OF THE CHARITY SEE FIT, THE CHARITABLE OBJECTS OF THE THE NATIONAL MUSEUMS AND GALLERIES ON MERSEYSIDE (AS MAY BE AMENDED FROM TIME TO TIME) AND TO ADVANCE THE EDUCATION OF THE PUBLIC THROUGHOUT THE WORLD IN ANY MANNER CONDUCTIVE TO AND COMPATIBLE WITH THE CHARITABLE OBJECTS OF THE NATIONAL MUSEUMS AND GALLERIES ON MERSEYSIDE, WITHOUT PREJUDICE TO THE GENERALITY OF THE FORGOING IN PARTICULAR BY WIDENING PARTICIPATION IN CHARITABLE EDUCATION.

**Activities:** To advance, in a manner which the trustees see fit, the charitable objects of The National Museums and Galleries on Merseyside (NMGM), and to advance the education of the public throughout the world in any manner conducive to, and compatible with the charitable objects of NMGM, without prejudice to the generality of the foregoing, in particular by widening participation in charitable education.

## Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

## Geography

- Knowsley
- Liverpool City
- Sefton
- St Helens
- Wirral

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£221,194	£587,713	-	-
2024-03-31	£3,093,570	£1,062,235	£8,907,733	0
2023-03-31	£1,030,796	£1,471,678	£6,876,398	0
2022-03-31	£3,000,626	£1,950,146	£7,317,280	0
2021-03-31	£3,401,635	£5,523	£6,266,800	0

## Trustees

Name	Role	Appointed
PROF PHIL REDMOND CBE	Chair	2012-10-17
ANTHONY MICHAEL BAYLISS		2012-10-17
Dr Nicola Jayne Thorp		2022-09-15
MARK RUPERT FEENY		2015-09-22
Roger Nelson Phillips		2022-04-11
Sir David Henshaw		2020-04-03

**NML FOUNDATION**

England & Wales - Charity number 1150493

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# Accounts

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**Charity Registration No. 1150493**

**Company Registration No. 08066776 (England and Wales)**

**NML FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 March 2025**

# NML FOUNDATION

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# NML FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Anthony Bayliss Sir Phil Redmond Mark Feeny Sir David Henshaw Sarah Dean Roger Phillips Dr. Nicola Thorp
<b>Charity number</b>	1150493
<b>Company number</b>	08066776
<b>Auditor</b>	DSG Audit 43 Castle Street Castle Chambers Liverpool L2 9TL
<b>Bankers</b>	NatWest Bank - St Helens 5 Ormskirk Street St Helens WA19 1DR
<b>Solicitors</b>	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

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# **NML FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2025***

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The trustees, who are also the directors of NML Foundation for the purpose of company law, 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).

Company law 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, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

The objects are to advance in any manner in which the trustees of the charity see fit, the charitable objects of National Museums Liverpool (as may be amended from time to time) and to advance the education of the public throughout the world in any manner conducive to and compatible with the charitable objects of National Museums Liverpool, without prejudice to the generality of the forgoing in particular by widening participation in charitable education.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity furthers its charitable purposes through its grant making policy. The main focus is to award grants to fund projects which advance the education of the public throughout the world in any manner conducive and compatible with the charitable objects of National Museums Liverpool.

### **Achievements and performance**

During the financial period a grant of £574,604 was made to National Museums Liverpool (2024:1,055,000)

### **Financial review**

The charity had total incoming resources in the sum of £221,194 (2024: £3,093,570) and has expended £587,713(2024: £1,062,235) resulting in a deficit for the period of £366,519 (2024: £2,031,335).

### **Reserves policy**

The charity currently has only minimal financial obligations and the trustees are of the opinion that the level of reserves held is sufficient to enable the charity to continue its current activities in the event of a reduction in funding.

The trustees will continue to review the reserves held to ensure the charity is able to meet its financial obligations in the event of any change in its operation.

### **Principal sources of income**

The principal source of funding has been received from National Museums Liverpool and income generated from the bank and investment deposits held.

### **Investment policy**

The trustees have taken the decision to retain the majority of their income on bank deposit interest bearing accounts, as it is anticipated funds will be drawn down in the short-term to meet grant payments. For this reason the trustees do not consider other investment types to be suitable. The trustees will continue to keep the position under review.

### **Key risks and uncertainties**

Key risks identified by the Foundation focus primarily on monitoring the performance of individual projects. Regular dialogue has been established between the Foundation Trustees and National Museums Liverpool to check progress and results.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### ***Plans for future periods***

The Foundation holds a significant level of cash in the bank accounts. Discussions are ongoing between the trustees to consider suitable term deposits to increase the current return on the funds held. It is recognised though that the funds are to be kept accessible in order to meet grant requests which the trustees expect to approve in the short term which are compatible with their charitable objectives.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Bayliss

Sir Phil Redmond

Mary Feeny

Sir David Henshaw

Sarah Dean

Roger Phillips

Dr. Nicola Thorp

#### ***Recruitment and appointment of trustees***

The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles of Association.

The number of trustees shall not be less than three and there is no upper limit. Under the requirements of the Articles of Association, trustees are elected to serve for a period of three years. Retiring trustees are eligible for re-election. One such trustee shall be nominated by the Board of National Museums Liverpool, one such trustee shall be nominated by an appropriate professional firm conducting business in the North West to be selected by the trustees from time to time and one trustee shall be appointed by the two nominated trustees, who shall be independent of National Museums Liverpool. Any other Trustees may be appointed by the Members at an AGM.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

#### ***Organisational structure***

The charity is principally a grant making organisation. The trustees will liaise collectively in deciding on the investment strategy for the funds on deposit and also make a collective decision on charitable grant requests which are received. Day to day control is maintained by the trustees.

#### ***How decisions are made***

The charity is run by a body of trustees who liaise regularly and meet formally at least on an annual basis to review the policies and objectives of the trust. The trustees act in accordance with the decisions made at their meetings.

#### ***Induction and training of trustees***

The trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of trustees.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Auditor

DSG resigned as auditor on 11 September 2024. DSG Audit were appointed on 11 September 2024 to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



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Anthony Bayliss

**Trustee**

10/10/2025

Date: .....

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NML FOUNDATION

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### Opinion

We have audited the financial statements of NML Foundation (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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, except to the extent otherwise explicitly stated in our report, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NML FOUNDATION

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### 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Jean Ellis BA FCA CTA**  
for and on behalf of DSG Audit

**DSG Chartered Accountants**  
Statutory Auditor



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13/10/2025

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# NML FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2025*

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	Notes	2025 £	2024 £
<b><u>Income from:</u></b>			
Donations and legacies	2	2,250	3,000,000
Investments	4	218,944	93,570
		<hr/>	<hr/>
<b>Total income</b>		221,194	3,093,570
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Raising funds	3	4,060	-
		<hr/>	<hr/>
Charitable activities	6	583,653	1,062,235
		<hr/>	<hr/>
<b>Total resources expended</b>		587,713	1,062,235
		<hr/>	<hr/>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(366,519)	2,031,335
Fund balances at 1 April 2024		8,907,733	6,876,398
		<hr/>	<hr/>
<b>Fund balances at 31 March 2025</b>		8,541,214	8,907,733
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# NML FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
<b>Fixed assets</b>					
Investments	10	6,139,570			-
<b>Current assets</b>					
Cash at bank and in hand		2,410,405		8,914,906	
<b>Creditors: amounts falling due within one year</b>					
Other creditors	11	(8,761)		(7,173)	
Net current assets		2,401,644		8,907,733	
<b>Total assets less current liabilities</b>		8,541,214		8,907,733	
<b>Income funds</b>					
Unrestricted funds		8,541,214		8,907,733	
		8,541,214		8,907,733	

10/10/2025

The financial statements were approved by the Trustees on .....

*Anthony Bayliss*

.....

Anthony Bayliss

Trustee

Company Registration No. 08066776

# NML FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations			(583,875)		1,937,443
<b>Investing activities</b>					
Purchase of investments		(6,139,570)		-	
Interest received		218,944		93,570	
<b>Net cash (used in)/generated from investing activities</b>			(5,920,626)		93,570
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(6,504,501)		2,031,013
Cash and cash equivalents at beginning of year			8,914,906		6,883,893
<b>Cash and cash equivalents at end of year</b>			<u>2,410,405</u>		<u>8,914,906</u>

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

##### Charity information

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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 charity 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.

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### 1.6 Fixed asset 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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Accounting policies (Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.8 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2 Donations and legacies

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2025</b>	2024
	£	£
Donations and gifts	2,250	3,000,000

### 3 Expenditure on raising funds

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2025</b>	2024
	£	£
Investment management	4,060	-

### 4 Investments

	<b>2025</b>	<b>2024</b>
	£	£
Income from listed investments	143,562	-
Interest receivable	75,382	93,570
	<u>218,944</u>	<u>93,570</u>

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 5 Support costs allocated to activities

	2025 £	2024 £
Audit fees	1,260	1,160
Accountancy	7,681	6,013
	<u>8,941</u>	<u>7,173</u>
Analysed between Charitable activities	<u>8,941</u>	<u>7,173</u>

### 6 Charitable activities

	2025 £	2024 £
Bank charges	108	62
Grants payable	574,604	1,055,000
	<u>574,712</u>	<u>1,055,062</u>
Share of governance costs (see note 5)	<u>8,941</u>	<u>7,173</u>
	<u>583,653</u>	<u>1,062,235</u>

### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or had any expenses reimbursed.

### 8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 9 Employees

There were no employees during the year.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 10 Fixed asset investments

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2024	-
Additions	6,139,570
	<hr/>
At 31 March 2025	6,139,570
	<hr/>
<b>Carrying amount</b>	
At 31 March 2025	6,139,570
	<hr/> <hr/>
At 31 March 2024	-
	<hr/> <hr/>

### 11 Other creditors falling due within one year

	<b>2025 £</b>	<b>2024 £</b>
Accruals and deferred income	8,761	7,173
	<hr/> <hr/>	<hr/> <hr/>

### 12 Analysis of changes in net funds

The charity had no material debt during the year.

**NML FOUNDATION**

England & Wales - Charity number 1150493

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# Accounts

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**Charity Registration No. 1150493**

**Company Registration No. 08066776 (England and Wales)**

**NML FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 March 2024**

# **NML FOUNDATION**

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# NML FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Anthony Bayliss Sir Phil Redmond Mark Feeny Sir David Henshaw Sarah Dean Roger Phillips Dr. Nicola Thorp
<b>Charity number</b>	1150493
<b>Company number</b>	08066776
<b>Auditor</b>	DSG Audit 43 Castle Street Castle Chambers Liverpool L2 9TL
<b>Bankers</b>	NatWest Bank - St Helens 5 Ormskirk Street St Helens WA19 1DR
<b>Solicitors</b>	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

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# **NML FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2024***

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The trustees, who are also the directors of NML Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

The objects are to advance in any manner in which the trustees of the charity see fit, the charitable objects of The National Museums and Galleries on Merseyside (as may be amended from time to time) and to advance the education of the public throughout the world in any manner conducive to and compatible with the charitable objects of The National Museums and Galleries on Merseyside, without prejudice to the generality of the forgoing in particular by widening participation in charitable education.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity furthers its charitable purposes through its grant making policy. The main focus is to award grants to fund projects which advance the education of the public throughout the world in any manner conducive and compatible with the charitable objects of The National Museums and Galleries on Merseyside.

### **Achievements and performance**

During the financial period a grant of £1,055,000 was made to National Museums Liverpool (2023:1,465,000) which is the operating name of The National Museums and Galleries on Merseyside.

### **Financial review**

The charity had total incoming resources in the sum of £3,093,570 (2023: £1,030,796) and has expended £1,062,235 (2023: £1,471,678) resulting in a sum for the period of £2,031,335 (2023: A deficit of £440,882).

### **Reserves policy**

The charity currently has only minimal financial obligations and the trustees are of the opinion that the level of reserves held is sufficient to enable the charity to continue its current activities in the event of a reduction in funding.

The trustees will continue to review the reserves held to ensure the charity is able to meet its financial obligations in the event of any change in its operation.

### **Principal sources of income**

The principal source of funding has been received from National Museums & Galleries' on Merseyside operating as National Museums Liverpool and income generated from the bank deposits held.

### **Investment policy**

The trustees have taken the decision to retain the majority of their income on bank deposit interest bearing accounts, as it is anticipated funds will be drawn down in the short-term to meet grant payments. For this reason the trustees do not consider other investment types to be suitable. The trustees will continue to keep the position under review.

### **Key risks and uncertainties**

Key risks identified by the Foundation focus primarily on monitoring the performance of individual projects. Regular dialogue has been established between the Foundation Trustees and The National Museums and Galleries on Merseyside to check progress and results.

# **NML FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024**

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### ***Plans for future periods***

The Foundation holds a significant level of cash in the bank accounts. Discussions are ongoing between the trustees to consider suitable term deposits to increase the current return on the funds held. It is recognised though that the funds are to be kept accessible in order to meet grant requests which the trustees expect to approve in the short term which are compatible with their charitable objectives.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Bayliss  
Sir Phil Redmond  
Mary Feeny  
Sir David Henshaw  
Sarah Dean  
Roger Phillips  
Dr. Nicola Thorp

#### ***Recruitment and appointment of trustees***

The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles of Association.

The number of trustees shall not be less than three and there is no upper limit. Under the requirements of the Articles of Association, trustees are elected to serve for a period of three years. Retiring trustees are eligible for re-election. One such trustee shall be nominated by the Board of The National Museums and Galleries on Merseyside, otherwise known as National Museums Liverpool, one such trustee shall be nominated by an appropriate professional firm conducting business in the North West to be selected by the trustees from time to time and one trustee shall be appointed by the two nominated trustees, who shall be independent of The National Museums and Galleries on Merseyside. Any other Trustees may be appointed by the Members at an AGM.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

#### ***Organisational structure***

The charity is principally a grant making organisation. The trustees will liaise collectively in deciding on the investment strategy for the funds on deposit and also make a collective decision on charitable grant requests which are received. Day to day control is maintained by the trustees.

#### ***How decisions are made***

The charity is run by a body of trustees who liaise regularly and meet formally at least on an annual basis to review the policies and objectives of the trust. The trustees act in accordance with the decisions made at their meetings.

#### ***Induction and training of trustees***

The trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of trustees.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### **Auditor**

DSG resigned as auditor on 11 September 2024. DSG Audit were appointed on 11 September 2024 to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

  
Anthony Bayliss  
Trustee

4 October 2024

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NML FOUNDATION

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### Opinion

We have audited the financial statements of NML Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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, except to the extent otherwise explicitly stated in our report, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NML FOUNDATION

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#### **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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NML FOUNDATION

---

### Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
for and on behalf of DSG Audit

4 October 2024

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## NML FOUNDATION

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
<b><u>Income from:</u></b>			
Donations and legacies	2	3,000,000	1,000,000
Investments	3	93,570	30,796
<b>Total income</b>		<u>3,093,570</u>	<u>1,030,796</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	1,062,235	1,471,678
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		2,031,335	(440,882)
Fund balances at 1 April 2023		6,876,398	7,317,280
<b>Fund balances at 31 March 2024</b>		<u>8,907,733</u>	<u>6,876,398</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

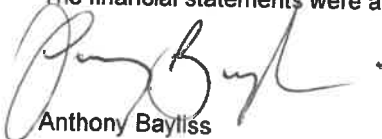
# NML FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
<b>Current assets</b>					
Cash at bank and in hand		8,914,906		6,883,893	
<b>Creditors: amounts falling due within one year</b>					
Other creditors	9	(7,173)		(7,495)	
Net current assets			<u>8,907,733</u>		<u>6,876,398</u>
<b>Income funds</b>					
Unrestricted funds			<u>8,907,733</u>		<u>6,876,398</u>
			<u>8,907,733</u>		<u>6,876,398</u>

The financial statements were approved by the Trustees on 4 October 2024

  
Anthony Bayliss  
Trustee

Company Registration No. 08066776

# NML FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations		1,937,443		(2,414,916)	
<b>Investing activities</b>					
Interest received		93,570		30,796	
<b>Net cash generated from investing activities</b>		93,570		30,796	
<b>Net cash used in financing activities</b>		-		-	
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,031,013		(2,384,120)	
Cash and cash equivalents at beginning of year		6,883,893		9,268,013	
<b>Cash and cash equivalents at end of year</b>		<u>8,914,906</u>		<u>6,883,893</u>	

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Charity information

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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 charity 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.

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.7 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Donations and gifts	3,000,000	1,000,000

### Grants receivable for core activities

-	-
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### 3 Investments

	2024 £	2023 £
Interest receivable	93,570	30,796

### 4 Support costs allocated to activities

	2024 £	2023 £
Audit fees	1,160	1,116
Accountancy	6,013	5,479
	7,173	6,595
Analysed between Charitable activities	7,173	6,595

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 5 Charitable activities

	2024 £	2023 £
Bank charges	62	83
Grants payable	1,055,000	1,465,000
	<u>1,055,062</u>	<u>1,465,083</u>
Share of governance costs (see note 4)	7,173	6,595
	<u>1,062,235</u>	<u>1,471,678</u>

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or had any expenses reimbursed.

### 7 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 8 Employees

There were no employees during the year.

### 9 Other creditors falling due within one year

	2024 £	2023 £
Accruals and deferred income	7,173	7,495
	<u>7,173</u>	<u>7,495</u>

### 10 Analysis of changes in net funds

The charity had no material debt during the year.

**NML FOUNDATION**

England & Wales - Charity number 1150493

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# Accounts

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**Charity Registration No. 1150493**

**Company Registration No. 08066776 (England and Wales)**

**NML FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 March 2023**

# NML FOUNDATION

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# NML FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Anthony Bayliss Sir Phil Redmond Mark Feeny Sir David Henshaw Sarah Dean Roger Phillips Dr. Nicola Thorp	Appointed 11th April 2022 Appointed 15th September 2022
<b>Charity number</b>	1150493	
<b>Company number</b>	08066776	
<b>Auditor</b>	DSG Chartered Accountants 43 Castle Street Castle Chambers Liverpool L2 9TL	
<b>Bankers</b>	NatWest Bank - St Helens 5 Ormskirk Street St Helens WA19 1DR	
<b>Solicitors</b>	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL	

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# **NML FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

---

The trustees, who are also the directors of NML Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

# **NML FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

---

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The objects are to advance in any manner in which the trustees of the charity see fit, the charitable objects of The National Museums and Galleries on Merseyside (as may be amended from time to time) and to advance the education of the public throughout the world in any manner conducive to and compatible with the charitable objects of The National Museums and Galleries on Merseyside, without prejudice to the generality of the forgoing in particular by widening participation in charitable education.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity furthers its charitable purposes through its grant making policy. The main focus is to award grants to fund projects which advance the education of the public throughout the world in any manner conducive and compatible with the charitable objects of The National Museums and Galleries on Merseyside.

#### **Achievements and performance**

During the financial period a grant of £1,465,000 was made to National Museums Liverpool (2022:1,944,000) which is the operating name of The National Museums and Galleries on Merseyside.

#### **Financial review**

The charity had total incoming resources in the sum of £1,030,796 (2022:£3,000,626) and has expended £1,471,678 (2022:1,950,146) resulting in a sum for the period of deficit £440,882 (2022:£1,050,480).

#### ***Reserves policy***

The charity currently has only minimal financial obligations and the trustees are of the opinion that the level of reserves held is sufficient to enable the charity to continue its current activities in the event of a reduction in funding.

The trustees will continue to review the reserves held to ensure the charity is able to meet its financial obligations in the event of any change in its operation.

#### ***Principal sources of income***

The principal source of funding has been received from National Museums & Galleries' on Merseyside operating as National Museums Liverpool and income generated from the bank deposits held. A Grant of £1,000,000 was received in 2022/23.

#### ***Investment policy***

The trustees have taken the decision to retain the majority of their income on bank deposit interest bearing accounts, as it is anticipated funds will be drawn down in the short-term to meet grant payments. For this reason the trustees do not consider other investment types to be suitable. The trustees will continue to keep the position under review.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### ***Key risks and uncertainties***

Key risks identified by the Foundation focus primarily on monitoring the performance of individual projects. Regular dialogue has been established between the Foundation Trustees and The National Museums and Galleries on Merseyside to check progress and results.

### ***Plans for future periods***

The Foundation holds a significant level of cash in the bank accounts. Discussions are ongoing between the trustees to consider suitable term deposits to increase the current return on the funds held. It is recognised though that the funds are to be kept accessible in order to meet grant requests which the trustees expect to approve in the short term which are compatible with their charitable objectives.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Bayliss

Sir Phil Redmond

Mary Feeny

Sir David Henshaw

Sarah Dean

Roger Phillips

Dr. Nicola Thorp

Appointed 11th April 2022

Appointed 15th September 2022

### ***Recruitment and appointment of trustees***

The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles of Association.

The number of trustees shall not be less than three and there is no upper limit. Under the requirements of the Articles of Association, trustees are elected to serve for a period of three years. Retiring trustees are eligible for re-election. One such trustee shall be nominated by the Board of The National Museums and Galleries on Merseyside, otherwise known as National Museums Liverpool, one such trustee shall be nominated by an appropriate professional firm conducting business in the North West to be selected by the trustees from time to time and one trustee shall be appointed by the two nominated trustees, who shall be independent of The National Museums and Galleries on Merseyside. Any other Trustees may be appointed by the Members at an AGM.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

### ***Organisational structure***

The charity is principally a grant making organisation. The trustees will liaise collectively in deciding on the investment strategy for the funds on deposit and also make a collective decision on charitable grant requests which are received. Day to day control is maintained by the trustees.

### ***How decisions are made***

The charity is run by a body of trustees who liaise regularly and meet formally at least on an annual basis to review the policies and objectives of the trust. The trustees act in accordance with the decisions made at their meetings.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Induction and training of trustees**

The trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of trustees.

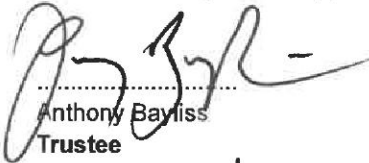
### **Auditor**

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....  
Anthony Bayliss  
Trustee

Date: 02/11/2023 .....

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NML FOUNDATION

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### Opinion

We have audited the financial statements of NML Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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, except to the extent otherwise explicitly stated in our report, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NML FOUNDATION

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### 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA  
for and on behalf of

2/11/23

DSG Chartered Accountants  
Statutory Auditor

# NML FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	2022 £
<b>Income from:</b>			
Donations and legacies	2	1,000,000	3,000,000
Investments	3	30,796	626
<b>Total income</b>		<u>1,030,796</u>	<u>3,000,626</u>
<b>Expenditure on:</b>			
Charitable activities	5	<u>1,471,678</u>	<u>1,950,146</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(440,882)	1,050,480
Fund balances at 1 April 2022		<u>7,317,280</u>	<u>6,266,800</u>
<b>Fund balances at 31 March 2023</b>		<u><u>6,876,398</u></u>	<u><u>7,317,280</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

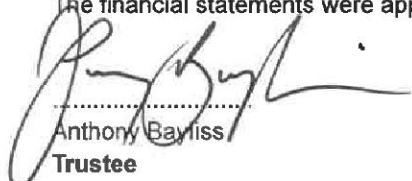
# NML FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Current assets</b>					
Cash at bank and in hand		6,883,893		9,268,013	
<b>Creditors: amounts falling due within one year</b>					
Other creditors	9	(7,495)		(1,950,733)	
Net current assets			<u>6,876,398</u>		<u>7,317,280</u>
<b>Income funds</b>					
Unrestricted funds			<u>6,876,398</u>		<u>7,317,280</u>
			<u>6,876,398</u>		<u>7,317,280</u>

The financial statements were approved by the Trustees on 02/11/2023

  
.....  
Anthony Bayliss  
Trustee

Company Registration No. 08066776

# NML FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations			(2,414,916)		2,995,307
<b>Investing activities</b>					
Interest received		30,796		626	
<b>Net cash generated from investing activities</b>			30,796		626
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(2,384,120)		2,995,933
Cash and cash equivalents at beginning of year			9,268,013		6,272,080
<b>Cash and cash equivalents at end of year</b>			<u>6,883,893</u>		<u>9,268,013</u>

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

##### Charity information

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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 charity 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.

##### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.7 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 2 Donations and legacies

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Donations and gifts	1,000,000	3,000,000
<b>Grants receivable for core activities</b>	<u>                    </u>	<u>                    </u>
	-	-

### 3 Investments

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable	30,796	626

### 4 Support costs

	<b>Support costs</b>	<b>Governance costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Audit fees	-	1,116	1,116	960
Accountancy	-	5,479	5,479	5,114
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	-	6,595	6,595	6,074
<b>Analysed between Charitable activities</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	-	6,595	6,595	6,074

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 5 Charitable activities

	2023 £	2022 £
Bank charges	83	72
Grants payable	1,465,000	1,944,000
	<u>1,465,083</u>	<u>1,944,072</u>
Share of governance costs (see note 4)	6,595	6,074
	<u>1,471,678</u>	<u>1,950,146</u>

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or had any expenses reimbursed.

### 7 Employees

There were no employees during the year.

### 8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 9 Other creditors falling due within one year

	2023 £	2022 £
Other creditors	-	1,944,000
Accruals and deferred income	7,495	6,733
	<u>7,495</u>	<u>1,950,733</u>

### 10 Analysis of changes in net funds

The charity had no debt during the year.

**NML FOUNDATION**

England & Wales - Charity number 1150493

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# Accounts

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**Charity Registration No. 1150493**

**Company Registration No. 08066776 (England and Wales)**

**NML FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 March 2022**

# NML FOUNDATION

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# NML FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**                      Anthony Bayliss  
   Professor Phil Redmond  
   Mark Feeny  
   Sir David Henshaw  
   Sarah Dean  
   Roger Phillips                      Appointed 11th April 2022

**Charity number**                      1150493

**Company number**                      08066776

**Auditor**                              DSG Chartered Accountants  
   43 Castle Street  
   Castle Chambers  
   Liverpool  
   L2 9TL

**Bankers**                              NatWest Bank - St Helens  
   5 Ormskirk Street  
   St Helens  
   WA19 1DR

**Solicitors**                              Brabners LLP  
   Horton House  
   Exchange Flags  
   Liverpool  
   L2 3YL

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# **NML FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The objects are to advance in any manner in which the trustees of the charity see fit, the charitable objects of The National Museums and Galleries on Merseyside (as may be amended from time to time) and to advance the education of the public throughout the world in any manner conducive to and compatible with the charitable objects of The National Museums and Galleries on Merseyside, without prejudice to the generality of the forgoing in particular by widening participation in charitable education.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity furthers its charitable purposes through its grant making policy. The main focus is to award grants to fund projects which advance the education of the public throughout the world in any manner conducive and compatible with the charitable objects of The National Museums and Galleries on Merseyside.

#### **Achievements and performance**

During the financial period a grant of £1,944,000 was made to National Museums Liverpool (2021 no grants were made to National Museums Liverpool, which is the operating name of The National Museums and Galleries on Merseyside).

#### **Financial review**

The charity had total incoming resources in the sum of £3,000,626 (2021:£3,401,635) and has expended £1,950,146 (2021:£5,523) resulting in a sum for the period of £1,050,480 (2021:£3,396,112).

#### **Reserves policy**

The charity currently has only minimal financial obligations and the trustees are of the opinion that the level of reserves held is sufficient to enable the charity to continue its current activities in the event of a reduction in funding.

The trustees will continue to review the reserves held to ensure the charity is able to meet its financial obligations in the event of any change in its operation.

#### **Principal sources of income**

The principal source of funding has been received from National Museums & Galleries' on Merseyside operating as National Museums Liverpool and income generated from the bank deposits held. A Grant of £3,000,000 was received in 2021/22.

#### **Investment policy**

The trustees have taken the decision to retain the majority of their income on bank deposit interest bearing accounts, as it is anticipated funds will be drawn down in the short-term to meet grant payments. For this reason the trustees do not consider other investment types to be suitable. The trustees will continue to keep the position under review.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### ***Key risks and uncertainties***

Key risks identified by the Foundation focus primarily on monitoring the performance of individual projects. Regular dialogue has been established between the Foundation Trustees and The National Museums and Galleries on Merseyside to check progress and results.

### ***Plans for future periods***

The Foundation holds a significant level of cash in the bank accounts. Discussions are ongoing between the trustees to consider suitable term deposits to increase the current return on the funds held. It is recognised though that the funds are to be kept accessible in order to meet grant requests which the trustees expect to approve in the short term which are compatible with their charitable objectives.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Bayliss  
Professor Phil Redmond  
Mary Feeny  
Sir David Henshaw  
Sarah Dean  
Roger Phillips

Appointed 11th April 2022

### ***Recruitment and appointment of trustees***

The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles of Association.

The number of trustees shall not be less than three and there is no upper limit. Under the requirements of the Articles of Association, trustees are elected to serve for a period of three years. Retiring trustees are eligible for re-election. One such trustee shall be nominated by the Board of The National Museums and Galleries on Merseyside, otherwise known as National Museums Liverpool, one such trustee shall be nominated by an appropriate professional firm conducting business in the North West to be selected by the trustees from time to time and one trustee shall be appointed by the two nominated trustees, who shall be independent of The National Museums and Galleries on Merseyside. Any other Trustees may be appointed by the Members at an AGM.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

### ***Organisational structure***

The charity is principally a grant making organisation. The trustees will liaise collectively in deciding on the investment strategy for the funds on deposit and also make a collective decision on charitable grant requests which are received. Day to day control is maintained by the trustees.

### ***How decisions are made***

The charity is run by a body of trustees who liaise regularly and meet formally at least on an annual basis to review the policies and objectives of the trust. The trustees act in accordance with the decisions made at their meetings.

# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### **Induction and training of trustees**

The trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of trustees.

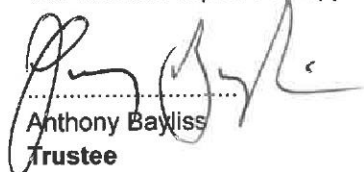
### **Auditor**

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

  
.....  
Anthony Bayliss  
Trustee

Date: 20/12/2022  
.....

# **NML FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

The trustees, who are also the directors of NML Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NML FOUNDATION

---

### Opinion

We have audited the financial statements of NML Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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, except to the extent otherwise explicitly stated in our report, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NML FOUNDATION

### 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA  
for and on behalf of

20/12/22

DSG Chartered Accountants  
Statutory Auditor

# NML FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Income from:</b>			
Donations and legacies	2	3,000,000	3,400,000
Investments	3	626	1,635
<b>Total income</b>		<u>3,000,626</u>	<u>3,401,635</u>
<b>Expenditure on:</b>			
Charitable activities	4	<u>1,950,146</u>	<u>5,523</u>
<b>Net income for the year/ Net movement in funds</b>		1,050,480	3,396,112
Fund balances at 1 April 2021		<u>6,266,800</u>	<u>2,870,688</u>
<b>Fund balances at 31 March 2022</b>		<u><u>7,317,280</u></u>	<u><u>6,266,800</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

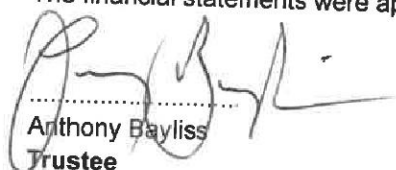
# NML FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Cash at bank and in hand		9,268,013		6,272,080	
<b>Creditors: amounts falling due within one year</b>					
Other creditors	8	(1,950,733)		(5,280)	
Net current assets			7,317,280		6,266,800
<b>Income funds</b>					
Unrestricted funds			7,317,280		6,266,800
			7,317,280		6,266,800

The financial statements were approved by the Trustees on 20/12/2022

  
Anthony Bayliss  
Trustee

Company Registration No. 08066776

# NML FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations		2,995,307		3,395,437	
<b>Investing activities</b>					
Interest received		626		1,635	
<b>Net cash generated from investing activities</b>			626		1,635
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>		2,995,933		3,397,072	
Cash and cash equivalents at beginning of year		6,272,080		2,875,008	
<b>Cash and cash equivalents at end of year</b>		9,268,013		6,272,080	

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# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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 charity 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.

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.7 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2	Donations and legacies	Unrestricted funds	Unrestricted funds
		2022 £	2021 £
	Donations and gifts	3,000,000	3,400,000
	Grants receivable for core activities	-	-
3	Investments		
	Interest receivable	626	1,635
4	Charitable activities		
	Bank charges	72	62
	Grants payable	1,944,000	-
	Share of governance costs (see note 5)	6,074	5,461
		1,950,146	5,523

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Audit fees	-	960	960	840
Accountancy	-	5,114	5,114	4,621
	-	6,074	6,074	5,461
Analysed between Charitable activities	-	6,074	6,074	5,461

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or had any expenses reimbursed.

### 7 Employees

There were no employees during the year.

### 8 Other creditors falling due within one year

	2022	2021
	£	£
Other creditors	1,944,000	-
Accruals and deferred income	6,733	5,280
	1,950,733	5,280

### 9 Analysis of changes in net funds

The charity had no debt during the year.

**NML FOUNDATION**

England & Wales - Charity number 1150493

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# Accounts

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**Charity Registration No. 1150493**

**Company Registration No. 08066776 (England and Wales)**

**NML FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**for the year ended**  
**31 March 2021**

# NML FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees** Anthony Bayliss  
Professor Phil Redmond  
Mark Feeny  
Amy de Joia  
Sir David Henshaw (Appointed 3 April 2020)  
Sarah Dean (Appointed 3 April 2020)

**Charity number** 1150493

**Company number** 08066776

**Auditor** DSG Chartered Accountants  
43 Castle Street  
Castle Chambers  
Liverpool  
L2 9TL

**Bankers** NatWest Bank - St Helens  
5 Ormskirk Street  
St Helens  
WA19 1DR

**Solicitors** Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

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# **NML FOUNDATION**

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# **NML FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

The objects are to advance in any manner in which the trustees of the charity see fit, the charitable objects of The National Museums and Galleries on Merseyside (as may be amended from time to time) and to advance the education of the public throughout the world in any manner conducive to and compatible with the charitable objects of The National Museums and Galleries on Merseyside, without prejudice to the generality of the forgoing in particular by widening participation in charitable education.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity furthers its charitable purposes through its grant making policy. The main focus is to award grants to fund projects which advance the education of the public throughout the world in any manner conducive and compatible with the charitable objects of The National Museums and Galleries on Merseyside.

### **Achievements and performance**

During the financial period no grants were made (2020 no grants were made to National Museums Liverpool, which is the operating name of The National Museums and Galleries on Merseyside).

### **Financial review**

The charity had total incoming resources in the sum of £3,401,635 (2020: £1,504,201) and has expended £5,523 (2020 : £4,502) resulting in a sum for the period of £3,396,112 (2020: £1,499,699).

### **Reserves policy**

The charity currently has only minimal financial obligations and the trustees are of the opinion that the level of reserves held is sufficient to enable the charity to continue its current activities in the event of a reduction in funding.

The trustees will continue to review the reserves held to ensure the charity is able to meet its financial obligations in the event of any change in its operation.

### **Principal sources of income**

The principal source of funding has been received from National Museums & Galleries' on Merseyside operating as National Museums Liverpool and income generated from the bank deposits held. A Grant of £3,400,000 was received in 2020/21.

### **Investment policy**

The trustees have taken the decision to retain the majority of their income on bank deposit interest bearing accounts, as it is anticipated funds will be drawn down in the short-term to meet grant payments. For this reason the trustees do not consider other investment types to be suitable. The trustees will continue to keep the position under review.

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# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### ***Key risks and uncertainties***

Key risks identified by the Foundation focus primarily on monitoring the performance of individual projects. Regular dialogue has been established between the Foundation Trustees and The National Museums and Galleries on Merseyside to check progress and results.

### ***Plans for future periods***

The Foundation holds a significant level of cash in the bank accounts. Discussions are ongoing between the trustees to consider suitable term deposits to increase the current return on the funds held. It is recognised though that the funds are to be kept accessible in order to meet grant requests which the trustees expect to approve in the short term which are compatible with their charitable objectives.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Bayliss

Professor Phil Redmond

Mark Feeny

Amy de Joia

Heather Lauder

(Retired 3 April 2020)

Carmel Booth

(Retired 3 April 2020)

Sir David Henshaw

(Appointed 3 April 2020)

Sarah Dean

(Appointed 3 April 2020)

Professor J N Tarn

(Deceased 8 November 2020)

### ***Recruitment and appointment of trustees***

The management of the charity is the responsibility of the trustees who are elected under the terms of the Articles of Association.

The number of trustees shall not be less than three and there is no upper limit. Under the requirements of the Articles of Association, trustees are elected to serve for a period of three years. Retiring trustees are eligible for re-election. One such trustee shall be nominated by the Board of The National Museums and Galleries on Merseyside, otherwise known as National Museums Liverpool, one such trustee shall be nominated by an appropriate professional firm conducting business in the North West to be selected by the trustees from time to time and one trustee shall be appointed by the two nominated trustees, who shall be independent of The National Museums and Galleries on Merseyside. Any other Trustees may be appointed by the Members at an AGM.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

### ***Organisational structure***

The charity is principally a grant making organisation. The trustees will liaise collectively in deciding on the investment strategy for the funds on deposit and also make a collective decision on charitable grant requests which are received. Day to day control is maintained by the trustees.

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# NML FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### **How decisions are made**

The charity is run by a body of trustees who liaise regularly and meet formally at least on an annual basis to review the policies and objectives of the trust. The trustees act in accordance with the decisions made at their meetings.

### **Induction and training of trustees**

The trustees are satisfied that they have put in place satisfactory procedures concerning the proper governance and management and decision making of the charity, including the induction and training of trustees.

### **Related parties**

Mr A M Bayliss, trustee, is a partner in DSG Chartered Accountants (DSG). During the year accountancy fees of £5,461 (2020: £4,441) were payable to DSG. At the year end £5,280 (2020 : £4,320) was due to DSG.

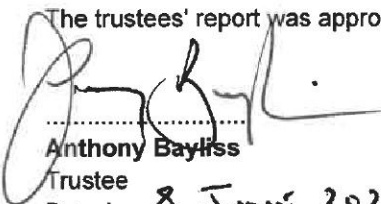
### **Auditor**

DSG were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

  
.....  
Anthony Bayliss  
Trustee  
Dated: 8 June 2021

# **NML FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2021***

---

The trustees, who are also the directors of NML Foundation for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NML FOUNDATION

---

### Opinion

We have audited the financial statements of NML Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### 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, except to the extent otherwise explicitly stated in our report, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.
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# NML FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF NML FOUNDATION

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### 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Jean Ellis BA FCA CTA  
for and on behalf of

8/6/21

DSG Chartered Accountants  
Statutory Auditor

# NML FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	2020 £
<b><u>Income from:</u></b>			
Donations and legacies	2	3,400,000	1,500,000
Investments	3	1,635	4,201
<b>Total income</b>		<u>3,401,635</u>	<u>1,504,201</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	4	<u>5,523</u>	<u>4,502</u>
<b>Net income for the year/ Net movement in funds</b>		3,396,112	1,499,699
Fund balances at 1 April 2020		2,870,688	1,370,989
<b>Fund balances at 31 March 2021</b>		<u><u>6,266,800</u></u>	<u><u>2,870,688</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

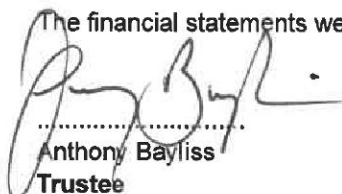
# NML FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Cash at bank and in hand		6,272,080		2,875,008	
<b>Creditors: amounts falling due within one year</b>					
Other creditors	8	(5,280)		(4,320)	
Net current assets			6,266,800		2,870,688
<b>Income funds</b>					
Unrestricted funds			6,266,800		2,870,688
			<u>6,266,800</u>		<u>2,870,688</u>

The financial statements were approved by the Trustees on 8 JUNE 2021

  
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Anthony Bayliss  
Trustee

Company Registration No. 08066776

# NML FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations			3,395,437		1,496,818
<b>Investing activities</b>					
Interest received		1,635		4,201	
<b>Net cash generated from investing activities</b>			1,635		4,201
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			3,397,072		1,501,019
Cash and cash equivalents at beginning of year			2,875,008		1,373,989
<b>Cash and cash equivalents at end of year</b>			6,272,080		2,875,008

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# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

The charity is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association dated 11th May 2012.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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 charity 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.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### 1.5 Resources expended

Expenditure is accounted for on an accruals basis.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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**1 Accounting policies** **(Continued)**

**1.7 Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**2 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations and gifts	3,400,000	1,500,000
	<u>          </u>	<u>          </u>
<b>Grants receivable for core activities</b>	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

**3 Investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	1,635	4,201
	<u>          </u>	<u>          </u>

**4 Charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank charges	62	61
Share of governance costs (see note 5)	5,461	4,441
	<u>          </u>	<u>          </u>
	5,523	4,502
	<u>          </u>	<u>          </u>

# NML FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Support costs	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Audit fees	-	840	840	-	720	720
Accountancy	-	4,621	4,621	-	3,721	3,721
	<u>-</u>	<u>5,461</u>	<u>5,461</u>	<u>-</u>	<u>4,441</u>	<u>4,441</u>
Analysed between Charitable activities	-	5,461	5,461	-	4,441	4,441
	<u>-</u>	<u>5,461</u>	<u>5,461</u>	<u>-</u>	<u>4,441</u>	<u>4,441</u>

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year or had any expenses reimbursed.

### 7 Employees

There were no employees during the year.

### 8 Other creditors falling due within one year

	2021	2020
	£	£
Accruals and deferred income	5,280	4,320
	<u>5,280</u>	<u>4,320</u>

### 9 Related party transactions

Mr A M Bayliss, Trustee, is a partner in DSG Chartered Accountants (DSG). During the year accountancy fees of £5,461 (2020 - £4,441) were payable to DSG. At the year end £5,280 (2020 - £4,320) was due to DSG. There were no other disclosable related party transactions during the year (2020- none).

### 10 Analysis of changes in net funds

The charity had no debt during the year.