

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

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ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

M Healy, Trustee
A Broome, Trustee
C Reid, Trustee

Company registered number

09351464

Charity registered number

1160259

Registered office

Studio B 21 Conduit Place, London, W2 1HS

Company secretary

M Healy

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the group and the company for the 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) FRS102, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. The charity has a particular focus on supporting MND medical research, MND charities, MND care, as well as architecture, tech and communication initiatives.

b. Activities for achieving objectives

In the medium term the Trustees aim to accumulate capital sufficient to produce an annual income for distribution. The Trustees aim to strike a balance between their medium term objectives and supporting appropriate causes now. The Trustees aim to distribute a portion of the donations received to projects and other charities active in areas of interest each year whilst accumulating the balance.

Achievements and performance

a. Review of activities in the year and future plans

The Foundation is the principal beneficiary from the estate of the late Alan Davidson who sadly passed away in August 2018. The executors of Alan Davidson's estate are still in the process of realising the assets and passing funds to the Foundation.

During the year the charity reported total income of £269,923 (2020: £741,144), consisting of donations from the charity's valued corporate and individual donors and an increase in the projected realisations from the Estate of Alan Davidson. In 2020 a additional legacy of £589,218 was recognised, this was increased by £103,846 in the year.

This year is very much one of transition as the trustees take on and begin to invest the funds provided by Alan's estate and starting to develop plans to support the longer term objectives of the charity. The Trustees have continued to support the Motor Neurone Disease Association, MND Scotland as well as other research which may benefit those suffering from Motor Neurone Disease (MND) and related conditions. The trustees are collaborating with another fundraising charitable organisation supporting to jointly fund larger MND research projects, whilst funding has been agreed, these large research projects are yet to start.

The Foundation supports an annual fundraising race - HD5K - within the architectural industry, organised by Hayes Davidson for the benefit of the Motor Neurone Disease Association. This year the race had to be held virtually due to Covid restrictions and fundraising was low. The Trustees agreed to supplement the match funding that had been agreed for the event to ensure the target funding of £40K was maintained. Similarly, the Trustees also agreed to donate funds to MND Scotland.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The additional funding was agreed to avert fundraising shortfalls due to cancellation of events as a result of the pandemic.

Work continued on The Davidson Prize, an annual architectural and communication prize for the design of a contemporary home. The inaugural prize was launched in November 2020 and was to be awarded in June 2021. The prize received nearly 100 expressions of interest and 55 submissions from registered architects from the UK and Ireland. The judging panel has been drawn from renowned figures from the architectural world including Alison Brooks, Thomas Heatherwick, Narinder Sagoo, Michelle Ogundehin and Sonia Solicari.

The total prize fund is £25K and is divided between 3 finalist teams who will receive £5K each with the remaining £10K going to the overall winning team.

The theme for the inaugural prize reflected the pandemic situation the world found itself in from early 2020 and the issues arising from working from home. So far the prize has generated interesting discussions in the architectural community and beyond.

The Trustees were particularly pleased that space has been allocated at the London Festival of Architecture (LFA) for an exhibition of the final shortlisted and winning entries, furthering the work of the Foundation around the communication of architecture.

In addition the Foundation supported a visualisation award in Alan's name, the Alan Davidson Award, from Archiboo, a design and communication annual award, as well as the Big Draw competition.

A number of smaller grants were made in support of various charities in accordance with Alan Davidson's wishes.

In addition to the program of longer term activities described above, the legacy left under Alan's will has allowed the trustees to agree grants of £233,051 during the year ended 31 March 2021 to the following good causes:

Organisation/charity	No of grants made	Amount granted/committed
Motor Neurone Disease Association	1	£150,000
Motor Neurone Disease Association Scotla	1	£51,051
Archiboo Award Sponsorship	1	£3,000
Laurence Anthony Earth Foundation	1	£1,000
Tierpark Rauenberg	<u>1</u>	<u>£1,000</u>
Total	5	£206,051

Further grants were accrued comprising £8,000 for charitable donations, £1,020,000 for medical research funding commitments. Costs of £101,105 were incurred and accrued in respect of the inaugural Davidson Prize. An overall total spent and committed of £1,335,156.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

During the 2020 year the trustees to agreed grants of £233,156 to the following good causes:

Organisation/charity	No of grants made	Amount granted/committed
Motor Neurone Disease Association	2	£166,000
Maggie Cancer Centre	2	£12,578
Wiki Foundation	1	£10,000
Frontier Foundation	1	£10,000
Long Now	1	£10,000
Study funding	1	£5,000
The Questors Theatre	1	£4,000
The Big Draw	1	£3,000
Doddie Weir Foundation	1	£2,578
Befriend a Child	1	£1,500
Sightsavers	1	£1,500
Honeypot Children	1	£1,500
The Scratching Post	1	£1,500
Deen City Farm	1	£1,500
Fight for Site	1	£1,000
Total	17	£233,156

Total expenditure for the year was £1,450,238 (2020: £262,709), meaning that the charity has reported a net surplus for the year of £471,091 (2020: 28,697 net surplus) after gains on investments of £1,651,406 (2020: £449,738 of losses).

Since the year end, the charity has continued to support a range of charities, including MNDA and other medical charities, and those involved the arts and architecture in accordance with its objects.

b. Investment policy and performance

As at the 9 April 2019 the investment portfolio held within the legacy of Alan Davidson was transferred to the investment manager, with further tranches of cash transferred to this listed investment portfolio the course of the year with the realisation of the estate assets.

Significant sales and purchases were made during the year, with changes made to implementation of the investment policy to ensure that the charity has a balanced portfolio as to hedge against the risk of fall in asset valuation.

The valuation of the portfolio fell at year ended 31 March 2020, due to the global pandemic of COVID-19 impacting the global stock markets from which the Alan Davidson Foundation was not immune, leading to a significant unrealised investment loss of £449,738 over the course of the year. Since that date the portfolio has shown strong growth, both from the rebound in markets and the investment of further funds.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

At the balance sheet date the charity had total funds of £13,054,096 (2020: £12,583,005). The majority of the funds relates to the legacy from Alan Davidson's estate. Over the medium term the Trustee aim to accumulate sufficient funds to generate an annual surplus for distribution in accordance with the charity's objectives.

Structure, governance and management

a. Constitution

The charitable company was incorporated on 11 December 2014 as a company limited by guarantee.

The company is constituted under its articles of association and is registered as a charity with the Charity Commission (registered charity number 1160259).

The principal object of the charitable company is the advancement for the public benefit of any purposes that are exclusively charitable under the laws of England and Wales.

b. Method of appointment or election of Trustees

The memorandum and articles of the charity require there to be at least three trustees. Trustees are elected and co-opted by decision of the existing trustees.

c. Organisational structure and decision making

The company is the parent of a dormant subsidiary HD Foundation Trading Company Ltd (Company Number: 09400022). Decisions are made at meetings of the Trustees by way of a majority vote, or by unanimous agreement without a formal Trustees Meeting.

d. Related party relationships

Mr A Broome is a partner in Haysmacintyre LLP, a firm of chartered accountants. Haysmacintyre LLP provides services to the charity and its wholly owned trading subsidiary on an arms length basis as detailed in Note 15 to the accounts.

The charity has benefited from donations from trustees and other related parties as disclosed in Note 15 to the accounts.

e. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities statement

The Trustees (who are also directors of Alan Davidson Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (FRS 102).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

SBM Associates Ltd was appointed as auditor and has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees, on 22 November 2021 and signed on their behalf by:



A Broome
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

Opinion

We have audited the financial statements of Alan Davidson Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies set out on pages 11 to 22. 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 2021 and of the charitable company's net movement in funds, including the 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 trustee's 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 charitable company's '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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

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 the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and 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 strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 by the charitable company; or
- the charitable company 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 trustees' responsibilities statement set out on page(s) 2 to 6, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

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.

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006, and taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of the investment property. Audit procedures performed by the engagement team included:

- inspecting correspondence with appropriate regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates, including review of the investment property valuation report and challenge of the underlying assumptions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DAVIDSON FOUNDATION

SBM Associates limited
SBM Associates limited (Nov 22, 2021 13:07 GMT)

SBM Associates Ltd

Statutory Auditors

24 Wandsworth Road

London

SW8 2JW

22 November 2021

SBM Associates Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ALAN DAVIDSON FOUNDATION
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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	2	113,963	113,963	663,240
Investments	3	155,960	155,960	77,904
Total income		<u>269,923</u>	<u>269,923</u>	<u>741,144</u>
Expenditure on:				
Raising funds		73,613	73,613	90
Charitable activities	6	1,376,625	1,376,625	262,619
Total expenditure		<u>1,450,238</u>	<u>1,450,238</u>	<u>262,709</u>
Net income/(expenditure) before investment gains/(losses)		<u>(1,180,315)</u>	<u>(1,180,315)</u>	<u>478,435</u>
Net gains/(losses) on investments	11	1,651,406	1,651,406	(449,738)
Net income before other recognised gains and losses		<u>471,091</u>	<u>471,091</u>	<u>28,697</u>
Net movement in funds		<u>471,091</u>	<u>471,091</u>	<u>28,697</u>
Reconciliation of funds:				
Total funds brought forward		12,583,005	12,583,005	12,554,308
Total funds carried forward		<u><u>13,054,096</u></u>	<u><u>13,054,096</u></u>	<u><u>12,583,005</u></u>

The notes on pages 14 to 22 form part of these financial statements.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09351464

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	11	11,765,607	5,968,634
Current assets			
Debtors	12	1,331,783	5,649,775
Cash at bank and in hand		1,060,359	1,014,274
		<u>2,392,142</u>	<u>6,664,049</u>
Creditors: amounts falling due within one year	13	<u>(1,103,653)</u>	<u>(49,677)</u>
Net current assets		1,288,489	6,614,372
Total assets less current liabilities		<u>13,054,096</u>	<u>12,583,006</u>
Creditors: amounts falling due after more than one year	14	<u>-</u>	<u>(1)</u>
Net assets		<u><u>13,054,096</u></u>	<u><u>12,583,005</u></u>
Charity Funds			
Unrestricted funds		<u>13,054,096</u>	<u>12,583,005</u>
Total funds		<u><u>13,054,096</u></u>	<u><u>12,583,005</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 22 November 2021 and signed on their behalf, by:



A Broome (Trustee)

The notes on pages 14 to 22 form part of these financial statements.

ALAN DAVIDSON FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	16	3,545,580	7,137,303
Cash flows from investing activities:			
Dividends and interest from investments		145,374	67,381
Transfers of shares from legacy debtor		(1,909,309)	(2,107,002)
Proceeds from sale of listed investments		2,189,440	2,365,426
Purchase of listed investments		(3,925,000)	(5,474,785)
Receipt of interest in investment property SIPP		-	(1,202,010)
Net cash used in investing activities		(3,499,495)	(6,350,990)
Change in cash and cash equivalents in the year		46,085	786,313
Cash and cash equivalents brought forward		1,014,274	227,961
Cash and cash equivalents carried forward	17	1,060,359	1,014,274

The notes on pages 14 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 with Charities SORP (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Alan Davidson Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Company's functional and presentational currency is GBP.

1.2 Company status

The company is incorporated in England and Wales, limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The Trustees consider that there are no material uncertainties in respect of the Foundation's ability to continue as a going concern. The Trustees have reviewed the Foundation's financial position and reserve levels and, having considered committed grant expenditure and future plans are satisfied that the Foundation remains a going concern for the foreseeable future.

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The Trustees recognised the legacy left under Alan Davidson's Will based at their best estimate of the Executors likely net realisations. The net difference between the amounts realised and the initial estimate has been recognised as an additional legacy receipt in the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

1.5 Expenditure

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.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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.

All expenditure is inclusive of irrecoverable VAT.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account. Listed investments are held at market value.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments of expenditure it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

2. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	3,867	3,867	74,022
Legacies	103,846	103,846	589,218
Similar income	6,250	6,250	-
Total donations and legacies	113,963	113,963	663,240
Total 2020	663,240	663,240	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment dividend income	155,685	155,685	77,827
Bank interest income	275	275	77
	<u>155,960</u>	<u>155,960</u>	<u>77,904</u>
Total 2020	<u>77,904</u>	<u>77,904</u>	

4. Analysis of grants

	Grants to Institutions 2021 £	Total 2021 £	Total 2020 £
Grants and donations to good causes (see pages 3 and 4 for breakdown)	1,335,156	1,335,156	233,156
Total 2020	<u>233,156</u>	<u>233,156</u>	

5. Support costs

	Activities £	Total 2021 £	Total 2020 £
Legal and professional fees	22,536	22,536	24,663
Total 2020	<u>24,663</u>	<u>24,663</u>	

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Governance costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Accountancy fees	7,920	7,920	-
Auditors' remuneration	10,400	10,400	4,800
Legal & professional fees	613	613	-
	<u>18,933</u>	<u>18,933</u>	<u>4,800</u>

7. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Grants and donations to good causes	<u>1,335,156</u>	<u>22,536</u>	<u>1,357,692</u>	<u>257,819</u>
Total 2020	<u>233,156</u>	<u>24,663</u>	<u>257,819</u>	

8. Net income/(expenditure)

During the year, no Trustees received any remuneration (2020 - £NIL).
During the year, no Trustees received any benefits in kind (2020 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>10,400</u>	<u>4,800</u>

10. Staff costs

The company has no employees other than the Trustees, who did not receive any remuneration (2020 - £NIL).

ALAN DAVIDSON FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Fixed asset investments

	Listed securities £	Investment property £	Shares in group undertakings £	Total £
Market value				
At 1 April 2020	4,730,414	1,238,219	1	5,968,634
Additions	5,868,086	-	-	5,868,086
Disposals	(1,722,518)	-	(1)	(1,722,519)
Revaluations	1,651,406	-	-	1,651,406
	<u>10,527,388</u>	<u>1,238,219</u>	<u>-</u>	<u>11,765,607</u>
At 31 March 2021	10,527,388	1,238,219	-	11,765,607

The Investment Property represents the current value of an part interest in an investment property left to the Foundation and held through the late Alan Davidson's Self Invested Pension Scheme (SIPP).

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
HD Foundation Trading Company Ltd	100%
The aggregate of the share capital and reserves as at 31 March 2021 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:	

Name	Aggregate of share capital and reserves £	Profit/(loss) £
HD Foundation Trading Company Ltd	1	-

Consolidated accounts have not been prepared on the basis the subsidiaries have remained dormant since incorporation.

ALAN DAVIDSON FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Debtors

	2021 £	2020 £
Legacy receivable	1,326,157	5,554,875
Other debtors	5,626	-
Tax recoverable	-	94,900
	<u>1,331,783</u>	<u>5,649,775</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	4,603
Accruals and accrued grants payable	1,103,653	45,074
	<u>1,103,653</u>	<u>49,677</u>

14. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	-	1
	<u>-</u>	<u>1</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	11,765,607	11,765,607
Current assets	2,392,142	2,392,142
Creditors due within one year	(1,103,653)	(1,103,653)
	<u>13,054,096</u>	<u>13,054,096</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	5,968,634	5,968,634
Current assets	6,664,048	6,664,048
Creditors due within one year	(49,676)	(49,676)
Creditors due in more than one year	(1)	(1)
	<u>12,583,005</u>	<u>12,583,005</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	471,091	28,697
Adjustment for:		
(Gain)/ Losses on investments	(2,146,397)	449,738
Dividends and interest from investments	(155,685)	(77,967)
Decrease in debtors	4,317,992	6,691,271
Increase in creditors	1,058,579	45,564
Net cash provided by operating activities	<u>3,545,580</u>	<u>7,137,303</u>

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at Bank & in hand	799,045	508,697
Cash held within investment portfolio	261,314	505,577
Total	<u>1,060,359</u>	<u>1,014,274</u>

The charity does not hold any debt and therefore all cash movements have been disclosed in cash flow statements and corresponding notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Related party transactions

During the year the charity received donations from trustees of £3,867, including related gift aid (2020: £74,022).

Trustees are not remunerated for their services. Trust Deed allows trustees and their connected parties to be paid on an arms length basis services for professional services provided to the Foundation. A Broome, a trustee of the charity, is a partner in Haysmacintyre LLP, a firm of chartered accountants. Haysmacintyre LLP provides professional services to the charity on an arms length basis. During the year Haysmacintyre LLP invoiced the charity £8,923 (2020: £5,250) in respect of accountancy, corporation tax and company secretarial services. Haysmacintyre LLP also provides services in respect of the charity's dormant subsidiary HD Foundation Trading Company Ltd. These services are paid by the Alan Davidson Foundation and expensed in these accounts. During the year this totalled £853 (2020: £703). At the balance sheet date, £nil was owed to Haysmacintyre LLP (2020: £4,603), included in trade creditors, with a further £5,000 accrued at year end in respect to services not yet invoiced (2020: £4,973).

A Broome, M Healy and C Reid are among others, Trustees of the late Alan Davidson's Self Invested Personal Pension (SIPP). As disclosed in Note 11, the Foundation's investment property interest is held via this SIPP.

A Broome & M Healy are directors of Hayes Davidson (London) Trustee Ltd, the Trustee of the Hayes Davidson (London) Employee Ownership Trust. The balance of debt due to Alan Davidson's Estate on the creation of the Employee Ownership Trust forms part of the Legacy Debtor.

A Broome, M Healy and C Reid were appointed by Alan Davidson as the executors of his Estate, the Foundation being the principal beneficiary of the Estate.

Alan Davidson 2021 - FINAL Full Accounts preparation 191121

Final Audit Report

2021-11-22

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