

The Max Barney Foundation
Company registration number: 9041095
Charity registration number: 1164583

The Max Barney Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 May 2021

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Charity registration number: 1164583

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Reference and Administrative Details

Trustees

Alexander Bard
Michael Goldstein
Gary Phillips

Auditor

Haines Watts (City) LLP
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Principle Office and Registered Office 168 Shoreditch High Street, London, E1 6HU

Registered in England & Wales number 9041095

Charity Registration number 1164583

Principal Bankers

Royal Bank of Scotland
Threadneedle Street
London EC2R 8LA

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MAY 2021

The Trustees, who are also Directors under company law, present their report and financial statements for the year ended 31 May 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association 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) effective 1 January 2019.

Objectives and activities

Purposes and aims

The purposes for which the charity is established are to provide relief for unemployment through vocational training and job creation and other general charitable activities.

Public benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit. The significant activities undertaken to further the charity's purposes for the public benefit and hence the details of the issues the charity seeks to tackle and the changes and differences it seeks to make are included below.

Achievements and performance

The charitable company has continued to bring in significant resources during a difficult period and hence have distributed over £1m to charities in support of its charitable objectives.

Future Plans

The charity hopes to continue to expand its reach through grants and donations.

Grant-making policy

The charity achieves its objectives by making grants considered by the Trustees.

Financial review

The charity received income in the year of £1,024,255 (2020: £2,252,474), and incurred costs of generating funds of £176,550 (2020: £164,908). Governance costs incurred amounted to £138 (2020: (£77)). Governance and support costs are included in the total charitable expenditure shown in the SOFA. In the year the grants payable totalled £1,059,843 (2020: £1,636,581). A breakdown of grants by charitable objective is shown at note 13.

At 31 May 2021 the charity had net assets of £706,369 (2020: £918,645) in unrestricted funds.

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Reserves Policy

The charitable company has a low level of administrative expenses and therefore the reserves policy is limited to holding funds to fulfil future grant making opportunities in support of the charitable objectives.

Principal risks and uncertainties

The Directors actively review and assess the major risks to which the charity may be exposed on a regular basis. There are regular COVID meetings to review the financial records with an annual review of the controls over key financial systems. The Directors also examined other operational risks which they may face and confirm they have established systems to mitigate any significant risks.

Structure, governance and management

All of the Directors are members of the company and guarantee to contribute no more than £1 in the event of a winding up. The organisation of the charity currently comprises a Board of Directors/Trustees who meet on average each quarter to consider and plan grant making and any other matters relating to the charity. The power of appointing new Trustees is vested in the Board.

Appointment, training and induction of Trustees

There are no plans to recruit additional Trustees at present.

Once new Trustees join the board we do not necessarily provide formal training. They are advised of a Trustee's duties and responsibilities as outlined in the Charity Commission website.

COVID-19

The Trustees acknowledge the current outbreak of the COVID-19 pandemic which is causing economic disruption in most countries and its potentially adverse economic impact on the charity. This is an additional risk factor which has impacted the charity's activities during the year and could impact the operations of the charity after year end.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 proper accounting records that 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Auditors

Haines Watts (City) LLP have expressed their willingness to continue in office as auditors.

The Trustees' annual report has been approved by the Trustees on 13 October 2021 and signed on their behalf by;



Michael Goldstein
Trustee

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF THE MAX BARNEY FOUNDATION

Opinion

We have audited the financial statements of The Max Barney Foundation (the 'charity') for the year ended 31 May 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 May 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's future incoming and outgoing resources and what the wider economy will look like. The Trustees' view on the impact of COVID-19 is disclosed in accounting policies notes and the Trustees' Report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the Trustees' responsibilities and declaration, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

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- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the Trustees and other management, and from our knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation, employment, and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquires of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgement and assumptions made in determining the accounting estimates set out in the notes were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosure to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual potential litigation and claims; and
- reviewing correspondence.

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 Report of the Independent Auditors.

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Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Boosey

.....
David Boosey BA (Hons) BFP ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts (City) LLP,
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

13 October 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 May 2021

	Notes	Unrestricted funds £	Total 2021 £	Total 2020 £
Income from				
Donations		1,024,255	1,024,255	2,252,474
Total		<u>1,024,255</u>	<u>1,024,255</u>	<u>2,252,474</u>
Expenditure on				
Charitable activities	3, 4, 13	1,236,531	1,236,531	1,801,412
Total		<u>1,236,531</u>	<u>1,236,531</u>	<u>1,804,412</u>
Net (Expense)/income		(212,276)	(212,276)	451,062
Total funds brought forward		<u>918,645</u>	<u>918,645</u>	<u>467,583</u>
Total funds carried forward		<u>706,369</u>	<u>706,369</u>	<u>918,645</u>

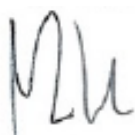
All the results were derived from continuing activities. The charity has no recognised gains or losses other than those dealt with in the Statement of Financial Activities which incorporates an income and expenditure account. The notes on Pages 15 to 22 form part of these accounts

BALANCE SHEET AS AT 31 May 2021

	Notes	2021 £	2020 £
Fixed Asset			
Listed Investment	2	51,344	0
Current assets			
Cash at bank		255,766	410,546
Debtor - Gift Aid	7	191,000	396,181
Loans Receivable	7	213,600	149,556
Total current assets		660,366	956,283
Creditors- amounts falling due within one year	8	(5,341)	(37,638)
Total Assets		<u>706,369</u>	<u>918,645</u>
Funds of the charity:			
Unrestricted funds		706,369	918,645
Total funds	11	<u>706,369</u>	<u>918,645</u>

The financial statements were approved by the Trustees and authorised for issue

On 13 October 2021 and signed on their behalf by:


 Michael Goldstein
 Trustee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash (expense)/income		(212,276)	451,062
		(212,276)	451,062
Working capital adjustments			
Decrease/(increase) in Debtors		141,137	(145,737)
(Decrease) in Creditors		(32,297)	(41,717)
Net cash flows from operating activities		108,840	(187,454)
Cash flows from investing activities			
(Increase) in listed investment		(51,344)	0
Net cash flows from investing activities		(51,344)	0
Net (decrease)/increase in cash and cash equivalents	12	(154,780)	263,608
Cash and cash equivalents at 1 June 2020		410,546	146,938
Cash and cash equivalents at 31 May 2021		255,766	410,546

All of the cash flows are derived from continuing operations during the above two periods.

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

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The charitable company 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 notes.

Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on their charity of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact.

Income and endowments

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

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Notes to the Financial Statements for the Year Ended 31 May 2021

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, and it is probable that settlement is required and that the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements for the Year Ended 31 May 2021

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Debtors are recognised at their recoverable amounts at the balance sheet date.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustee's discretion in furtherance of the objectives of the charity.

Financial instruments and Critical accounting estimates and judgements

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on experience and other factors that are considered to be relevant.

Actual results may differ from these estimates which are reviewed on an ongoing basis and recognised when appropriate.

Notes to the Financial Statements for the Year Ended 31 May 2021

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Notes to the Financial Statements for the Year Ended 31 May 2021

2 Fixed Asset Investment	2021	2020
	£	£
Listed Investment		
Cost	0	0
Addition	51,344	0
Disposal	0	0
	51,344	0

3 Support costs	Total	Total
	2021	2020
	£	£
Other resources expended	176,688	164,831
	176,688	164,831

4 Grant making	Total	Total
	2021	2020
	£	£
Grants to institutions - note 13	1,059,843	1,636,581
	1,059,843	1,636,581

Notes to the Financial Statements for the Year Ended 31 May 2021

5 Trustees remuneration and expenses and staff costs

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

There are no staff costs.

6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below.

	2021	2020
	£	£
7 Debtors		
Gift Aid recoverable	191,000	396,181
Loans receivable	213,600	149,556
	404,600	545,737

	2021	2020
	£	£
8 Creditors amounts falling due within one year		
Other creditors	5,341	37,638
	5,341	37,638

Notes to the Financial Statements for the Year Ended 31 May 2021

9 Charity status

The charity is a charitable company limited by guarantee and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

10 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2020 - £Nil).

11 Funds	Balance at 1 June 2020 £	Incoming resources £	Resources expended £	Balance at 31 May 2021 £
Unrestricted funds				
Unrestricted general funds	918,645	1,024,255	1,236,531	706,369
Total funds	<u>918,645</u>	<u>1,024,255</u>	<u>1,236,531</u>	<u>706,369</u>

	Balance at 1 June 2019 £	Incoming resources £	Resources expended £	Balance at 31 May 2020 £
Unrestricted funds				
Unrestricted general funds	467,583	2,252,474	1,801,412	918,645
Total funds	<u>467,583</u>	<u>2,252,474</u>	<u>1,801,412</u>	<u>918,645</u>

12 Analysis of net funds

	At 1 June 2020 £	Cash flow £	At 31 May 2021 £
Cash at bank and in hand	410,546	(154,780)	255,766

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Notes to the Financial Statements for the Year Ended 31 May 2021

13 Donations categorised by Charitable Objectives

	2021	2020
	£	£
Relief of Unemployment through Vocational Training	321,423	865,107
Relief of Unemployment through Job Creation	549,750	579,274
General Charitable causes	188,670	192,200
	1,059,843	1,636,581