

# THE KARLSSON JATIVA CHARITABLE FOUNDATION

England & Wales · Charity number 1168787

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 2016-08-16

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

## Contact

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**Address** 78-79 Pall Mall  
London  
SW1Y 5ES

**Phone** 02039315210

**Email** [info@kjcf.org.uk](mailto:info@kjcf.org.uk)

**Website** <https://kjcf.org.uk>

## Activities

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**Objects:** 3.1 SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 3.2, THE TRUSTEES SHALL HOLD THE CAPITAL AND INCOME OF THE TRUST FUND UPON TRUST TO APPLY THE INCOME, AND ALL OR SUCH PART OR PARTS OF THE CAPITAL, AT SUCH TIME OR TIMES AND IN SUCH MANNER TO OR FOR THE BENEFIT OF SUCH EXCLUSIVELY CHARITABLE OBJECTS AND PURPOSES IN ANY PART OF THE WORLD AS THE TRUSTEES MAY IN THEIR DISCRETION THINK FIT, INCLUDING (WITHOUT IMPOSING ANY LIMITATION OR REQUIREMENT):(A) THE ADVANCEMENT OF THE ART OF MUSIC AND THE EDUCATION OF THE PUBLIC IN THE SAME IN THE UNITED KINGDOM, SWEDEN AND OTHER COUNTRIES ACROSS EUROPE; AND(B) THE RELIEF OF POVERTY, DISTRESS AND HARDSHIP AND THE PROMOTION OF EDUCATION, HEALTH AND WELFARE OR ANY OTHER EXCLUSIVELY CHARITABLE OBJECT IN LATIN AMERICA.

**Activities:** THE FOUNDATION IS SUPPORTING ESTABLISHED CHARITIES IN PROMOTION OF ITS OBJECTIVES OF "THE ADVANCEMENT OF THE ART OF MUSIC AND THE EDUCATION OF THE PUBLIC IN THE SAME IN THE UNITED KINGDOM, SWEDEN AND OTHER COUNTRIES ACROSS EUROPE; AND THE RELIEF OF POVERTY, DISTRESS AND HARDSHIP AND THE PROMOTION OF EDUCATION, HEALTH AND WELFARE OR ANY OTHER EXCLUSIVELY CHARITABLE OBJECT IN LATIN AMERICA".

## Classification

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- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

## Geography

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- Sweden
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£101,493,537	£2,733,282	£162,494,984	4
2023-12-31	£31,435,102	£1,925,698	£59,718,765	2
2022-12-31	£555,922	£1,150,612	£29,414,607	2
2021-12-31	£454,700	£2,830,827	£32,327,151	1
2020-12-31	£466,042	£1,412,214	£30,851,109	1

## Trustees

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Name	Role	Appointed
KJCF Trustees		2025-03-06

**THE KARLSSON JATIVA CHARITABLE FOUNDATION**

England & Wales - Charity number 1168787

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# Accounts

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# **The Karlsson Játiva Charitable Foundation**

Registered Charity No. 1168787

## **Report and Accounts**

For the year ended 31 December 2024



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## Reference and administrative information

### Trustees

Martin Andersson (retired 6 March 2025)  
Jeremy Arnold (retired 6 March 2025)  
Rose Marie Játiva Karlsson (retired 6 March 2025)  
Erland Karlsson (retired 6 March 2025)  
KJCF Trustees (appointed 6 March 2025)

### KJCF Trustees Directors

Martin Andersson (appointed 10 March 2025, resigned 24 April 2025)  
Jeremy Arnold (appointed 10 March 2025)  
Rose Marie Játiva Karlsson (appointed 9 December 2024)  
Erland Karlsson (appointed 9 December 2024)  
Helen Watkins (appointed 9 December 2024)

### Address

1<sup>st</sup> floor  
78-79 Pall Mall  
London  
SW1Y 5ES

### Constitution

Registered Charity number 1168787  
Governed by a Trust Deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016, as amended by a Deed of Amendment dated 11 October 2024, as amended by a Deed of Amendment dated 16 December 2024

### Auditors

Rawlinson & Hunter Audit LLP  
Eighth Floor, 6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

### Solicitors

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN



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## Reference and administrative information (continued)

### **Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### **Investment Managers**

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU

Brown Advisory Limited  
18 Hanover Square  
London W1S 1JY



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For the year ended 31 December 2024

Our work during the year is reported in the following sections:

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## Trustees' annual report (continued)

For the year ended 31 December 2024

The Trustees present their report and audited financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 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 Foundation's governing document, a trust deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016, a Deed of Amendment dated 11 October 2024 and a Deed of Amendment dated 16 December 2024 ("the Trust Deed"), the Charities Act 2011, the Charities Act 2022 where relevant and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

### Background and Objects

The Foundation was formed on 5 July 2016 by an initial settlement from Mr Erland Karlsson (the "Settlor") and was registered by the Charity Commission (registered charity number 1168787) on 16 August 2016.

The Foundation has the power to advance any purpose which is charitable under the laws of England and Wales. The Foundation is at present operating as a grant giving trust in furtherance primarily of its principal objects as set out in the Trust Deed, namely: "the advancement of the art of music and the education of the public in the same in the United Kingdom, Sweden and other countries across Europe; and the relief of poverty, distress and hardship and the promotion of education, health and welfare or any other exclusively charitable object in Latin America".

### Expanded Scope

As detailed later in the report, the Foundation has in recent years received significant additional funds as additions to its expendable endowment. To manage the new circumstances, the Trustees have strengthened the organisation in terms of internal functions and are furthermore considering broadening the grant making programme to areas not directly related to the principal objects mentioned above.

### Appointment of Corporate Trustee

On 6 March 2025 the Foundation's trustee structure was changed. By a deed of retirement and appointment, the Trustees retired and a corporate trustee, KJCF Trustees, was appointed in their place. All of the existing Trustees at that time were appointed as Directors of KJCF Trustees, together with a new Director, Helen Watkins.

KJCF Trustees, a company limited by guarantee under the laws of England and Wales, was formed on 9 December 2024. Its members are Rose Marie Játiva Karlsson and Erland Karlsson. KJCF Trustees was formed for the purpose of acting as a trustee of, and administering, the Foundation. In order that KJCF Trustees be able to exercise the full range of trustee powers, including in relation to land, and to give full discharge to the retiring Trustees of the Foundation, it sought trust corporation status pursuant to section 3 of the Law of Property (Amendment) Act 1926 prior to being appointed. KJCF Trustees applied to the Lord Chancellor for trust corporation status and that application was approved on 26 February 2025.

All references to "Trustees" herein include KJCF Trustees as sole Trustee where the meaning allows.

### Structure, Governance and Management

The governing document of the Foundation is its Trust Deed, which provides that the power of appointing new Trustees is vested in the Founder where the Founder's powers are held by the Settlor until such time



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## Trustees' annual report (continued)

For the year ended 31 December 2024

as another person or persons are appointed pursuant to the power contained in the Trust Deed. Trustees and the Directors of KJCF Trustees are selected for the contribution to the balance of experience they bring.

Any new Trustee or Director will be given induction and training providing him or her with a summary of how the Foundation operates and copies of relevant documentation. He or she will also be directed to the resources available on the Charity Commission website for relevant guidelines. The Trustees who held office during the financial period and up to the date of this report were:

Martin Andersson (retired 6 March 2025)  
Jeremy Arnold (retired 6 March 2025)  
Rose Marie Játiva Karlsson (retired 6 March 2025)  
Erland Karlsson (retired 6 March 2025)  
KJCF Trustees (appointed 6 March 2025)

All of the Trustees and the Directors of KJCF Trustees give their time freely and no trustee or director remuneration was paid during the year.

The Trustees may delegate from time to time such of their powers of management and administration to one or more of their number or other persons as appropriate. The Trustees have adopted a Grant Making Policy, details of which are given on page 16. Grants are approved by the Trustees in a Trustees meeting (going forward, a meeting of the Board of Directors of KJCF Trustees) or by written resolution. The Trustees have, in accordance with the Grant Making Policy, delegated authority to two of their number to take grant-funding decisions within specified limits between Trustees meetings. All grants made under this delegated authority are reported to and considered by the Trustees at the following Trustees meeting. The delegated authority has been replicated by KJCF Trustees and going forward, these reports will be made to the Board of Directors of KJCF Trustees.

To assist the Trustees in considering proposals and identifying appropriate partners in Latin America, the Trustees established a Latin American Advisory Board ("LAAB") for the Foundation. The LAAB currently consists of a number of the Foundation's Trustees and external individuals who have served as Trustees of the Latin American Children's Trust ("LACT"), a registered charity to which the Foundation has previously made grants, but which was wound up on 31 May 2023. The LAAB is constituted solely as an advisory body to the Trustees, it has no delegated authority to take any decisions on behalf of the Trustees and its role is limited to advice and recommendations to the Trustees.

To assist the Trustees in identifying appropriate partners to work with in the music sector and in considering proposals, the Trustees established a Signatur Advisory Board (the 'SAB') for the Foundation. The SAB consists of members appointed based upon their expertise and experience of charitable projects in the music sector. The SAB is solely an advisory body, and its role is limited to advice and recommendations to the Trustees. The SAB does not operate under any delegated authority from the Trustees and all decisions regarding grants remain solely with the Trustees.

The Trustees have by board resolution appointed a Finance Committee consisting of members with financial and professional services background to assist them in maintaining an investment programme consistent with the Investment Policy Statement (see page 18). The specific remit of the Finance Committee is to develop the investment strategy, review potential investment managers and monitor ongoing performance. The Finance Committee assisted by the Foundation's Finance Director is responsible for day-to-day monitoring of and interaction with the investment managers and reviewing the overall portfolio performance and it reports back to the Trustees on a regular basis.

The delegation of investment management authority to Goldman Sachs International of the overall investment portfolio was in place between September 2017 and December 2023. Changes to the Goldman



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## Trustees' annual report (continued)

For the year ended 31 December 2024

Sachs International mandate, the award of a separate investment mandate to Brown Advisory and additional investments are noted further in the Financial Review section on page 17.

The Foundation had four employees during the year ended 31 December 2024 and the average headcount was four (2023: three).

### Principal Risks and Uncertainties

The Trustees have examined the major risks faced by the Foundation, including administrative, investment related, regulatory, conflict of interest, financial controls and other issues. Systems are in place to regularly monitor and control these risks and to mitigate any impact they may have on the Foundation.

The main market risk to the Foundation comes from fixed asset investments. The risk lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes. Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.

The Trustees consider the following risk factors for each proposed investment as well as the impact of a particular investment selection on the overall portfolio risk return profile:

- a) market risk: equity - beta of investment to equity markets, volatility, drawdown risk
- b) market risk: rates - sensitivity of investment to moves in interest rates
- c) market risk: credit - sensitivity of investment to moves in credit spreads
- d) capital risk: counterparty risk, default risk or risk of total investment failure
- e) concentration risk: overexposure to particular sector or investment type
- f) currency risk: with respect to unintended currency exposures
- g) liquidity risk: considered both in normal and stressed market circumstances

In order to manage the risk profile of the portfolio and its constituent parts, the Trustees have developed a heat map that is monitored on an ongoing basis.

Financial markets face several uncertainties in particular with respect to the macro-economic impact of uncertain trade policies and various sources of geo-political risks. The Trustees anticipate an elevated level of volatility in light of these uncertain investment conditions, however, believe that the adopted Investment Policy serves to mitigate these risks.

### Public Benefit

The Trustees have had due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant. Each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public in general or a sufficient section of the public, and any private benefit that may accrue to any person or entity as a result of a grant is incidental. The Trustees will consider whether any harm or detriment could arise from any grant and not make the grant if any such harm or detriment could outweigh the public benefit. They consider that the detail in this report about the Foundation's grants and its purposes sufficiently identifies the benefit and beneficiaries of the Foundation's grants, in such a way as to demonstrate the Foundation's benefit to the wider public.



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## Trustees' annual report (continued)

For the year ended 31 December 2024

### Objectives

The Foundation's Objects refer expressly to (a) music in the United Kingdom, Sweden and other countries across Europe; and (b) poverty, health and education in Latin America. These areas have been the predominant focus of the Foundation's grant making since its formation; however the Trustees are actively considering broadening the scope of the Foundation's target areas considering its expanded resources.

### Signatur Programme

With respect to Object (a) referred to in the previous paragraph, the Trustees have adopted the following Mission Statement:

*"Together with likeminded partners we aim to create a force for an improved society with the help of the unifying power of music. We want to open doors to the world of music for everyone, focusing on opportunities to those who might not otherwise have the chance to actively engage in, or have access to high quality music and music education. We seek to act as a counterbalance to the trends in society towards superficiality and intolerance. building on the innate potential of music and musicianship to unite people across ages and cultures."*

The Foundation seeks to support organisations and projects that aim, directly or indirectly, to provide access to broad qualitative music education and/or improve the opportunities for the public to enjoy high quality music. Through this work it seeks to create conditions for cultural integration through music. In addition to music, the Foundation can also support other closely related forms of performing arts such as dance, ballet or theatre.

In the United Kingdom, the Foundation prioritises grant making for exclusively charitable purposes to organisations that align at their core with our Mission Statement, i.e., those that have likeminded aims embedded in their "DNA". These may be music schools, conservatories, orchestras, choirs or other music establishments, as well as other registered charities operating in the field with similar objects. Grants will generally not be made to organisations or activities that do not align at their core with our Mission Statement.

In Sweden, the Foundation has supported the establishment of a charitable foundation with charitable objects which align with those of the Foundation as set out further under 'Activities, Achievements and Future Plans' below.

The Foundation identifies all the projects it supports in the field of music, whether in the UK or Sweden, as Signatur Programme projects using the Signatur logo. The intellectual property rights in the logo are registered to the Foundation and licensed to Signatur Foundation Sweden:

**Signatur**

*Signatur is the umbrella name  
for KJCF's work for the  
advancement of the art of music*

### LACT Programme

With respect to Object (b) the Trustees focus grant making to UK-registered charities that support work in Latin America, in particular in the countries of Ecuador, Colombia, Bolivia, Peru and Venezuela. Projects



## Trustees' annual report (continued)

For the year ended 31 December 2024

are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, and are in accordance with the objectives of the Foundation. There is an emphasis on projects that are likely to have a long-lasting impact in terms of improving circumstances for children and their families and include a large element of local community involvement. Priority is given to projects that have the potential to scale their impact through advocacy or otherwise.

The specific objectives the Trustees set for this financial year were to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its aims.

The Foundation identifies all the projects it supports in the field of poverty, health and education in Latin America as LACT Programme projects using its logo:



### Activities, Achievements and Future Plans

## Signatur

### Signatur Programme UK

Nineteen grants totalling £751,927 (2023: fifteen grants totalling £599,945) were made in the field of music under the umbrella of the Signatur Programme in the United Kingdom during the year:

**Aurora Orchestra:** The Signatur Programme continued to support Aurora Orchestra's 'Music for All' which aims to provide transformative music education in schools through Aurora Classroom and a series of live orchestral performances for schools and families. Children at key stage one and two and children in SEND settings learn through music across all areas of the curriculum at school. The programme provides flexible and inspiring practical resources for teachers to deliver quality music education in the classroom, with particular support for non-music specialists.

**Awards for Young Musicians (Young Sounds UK working name):** The Signatur Programme continued to support "Connect" which helps young people from the earliest stage in their musical journey. The programme is specifically designed to help young people from low-income families sustain their musical learning after initial state-funded whole-class lessons end, so they can keep on progressing and playing music well into their teens and beyond. The programme offers individually tailored music focused support for at least two years and includes instrumental tuition and termly get togethers and mentoring.

**Bradford Culture Company (Charity behind Bradford City of Culture 2025):** The Signatur Programme supported a series of music programmes centred on community engagement and creating opportunities. **The Bradford Progress** in partnership with Paraorchestra recruited 400 amateur local musicians to perform alongside up to 100 professional musicians in a two-day travelling musical extravaganza. **Sing, Dance, Leap:** Opera North, Northern Ballet and the Royal Opera House work alongside grass roots organisations to engage with young people who have lacked opportunities to participate in singing and dancing. **Baseline**



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## Trustees' annual report (continued)

For the year ended 31 December 2024

**Symphony** will enable young people from underserved areas to take a first step into the world of music working with local Bassline artists to create music and enjoy live music performances.

**Diocese of Westminster:** The Signatur Programme continued its support of music therapy at Caritas Bakhita House, a refuge for women who have escaped modern slavery and human trafficking. Music therapy has been part of the Caritas Bakhita House (CBH) service offer since January 2020. A skilled and experienced Music Therapist facilitates weekly therapeutic sessions for guests in small groups and one-to-one sessions.

**Liverpool FC Foundation:** The Signatur Programme continued its support of “Sound Minds”, a mental health improvement programme that aims to reach young people from disadvantaged communities through the engagement ability of the Liverpool FC Foundation. Participants lives are enhanced through the synergy of football and music. The programme fuses mental health workshops, physical activity, and music to develop the participants coping skills and resilience and aims to use music therapy to improve mood and cognitive function.

**London Music Fund:** The Signatur Programme continued to support the charity’s partnership programme initiative. London Music Fund’s “Partnership Programme” supports music services to develop new projects with professional arts organisations, specifically aimed at enabling young musicians and aspiring musicians, in particular those from low-income families, to learn from and perform alongside professional musicians, enabling exciting and creative collaborations for thousands of young musicians.

**London Sinfonietta:** As a new partner, the Signatur Programme supported “Composition Challenges”, a programme which aims to ignite the creativity and imagination of children through inspiring them to compose music. Alongside a series of workshops with schoolchildren, and performance opportunities with the London Sinfonietta, the programme seeks to address the lack of composition tuition in schools by providing a suite of learning resources that develop the capacity and confidence of teachers to deliver the subject with their pupils beyond the programme.

**Music Masters:** The Signatur Programme continued support of “Musicians of Change PGCEi”, now in its sixth year of delivery. This one-year intensive sector leading programme for music educators aims to upskill the UK’s music education workforce, modelling excellence for inclusive music education. Musicians of Change aims to open avenues for nurturing and diversifying the workforce, making it more reflective of school communities nationwide.

**Music of Life:** The Signatur Programme continued support of Music of Life’s “Choirs in Special Needs Schools” programme which delivers weekly choral training in special needs schools in Cambridge, Warwickshire and Birmingham catering for children with complex mental, physical, learning, and emotional needs, mainly from very disadvantaged backgrounds. Music of Life’s community-based music aims to transform the lives of children with disabilities through regular engagement, working with children over several years to build incremental impacts and support them with enhanced vital skills as they become adults.

**ORA Singers Young Composers’ Scheme:** The Signatur Programme continued to support ORA Singers “Young Composers”. The scheme aims to nurture and develop a new generation of choral composers, providing world class coaching in choral composition for young people from state schools across the UK. Students receive 1-1 mentoring with a professional composer, online and in-person workshops, and opportunities to workshop their ideas with ORA Singers to develop new choral compositions. At the end of the scheme the young composers’ pieces were performed and recorded by the ORA Singers at the Three Choirs Festival, held in 2024 in Worcester Cathedral.



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## Trustees' annual report (continued)

For the year ended 31 December 2024

**Royal Academy of Music:** The Foundation continued to support the Royal Academy's "Junior Academy Musical Theatre" course now in its fourth year. The programme is designed to widen access to the Royal Academy of Music. Auditions are held at local schools to ensure that talented young people who are currently under-represented in the Academy are given the opportunity to join the programme. Young people are provided with high-quality musical theatre training on a weekly basis, including learning and performing theatrical repertoire, industry visits and panel days, and regular performances at Royal Academy annual events with other Royal Academy students.

**Royal Birmingham Conservatoire:** The Signatur Programme continued support of RBC's "LEAP Programme", which aims to increase and improve access to socially driven music activities for young people and families from disadvantaged backgrounds across Birmingham and the West Midlands. Activities are delivered in partnership with schools, music hubs and community organisations and the programme reaches out to young people with musical aspirations, aiming to build social and emotional resilience and enable access to quality conservatoire music education.

**Royal Liverpool Philharmonic Society:** The Signatur Programme initiated support of the Liverpool Philharmonic to expand the provision of its long-term orchestral music-making programme "In Harmony", increasing the effectiveness, reach and impact for young people in North Liverpool. A network of In Harmony Youth Hubs provide young people with access to a musical community and safe space to practice and hone their instrument skills, create new music and discover music industry careers. A talent development programme complements the youth hubs, providing activities within and beyond the Philharmonic to support young people's musical and emotional development.

**Royal Northern College of Music:** The Signatur Programme started a new partnership with RNCM this year, supporting their "Young Artists Programme". Young Artists is the RNCM's first learning and participation initiative to focus exclusively on popular music and aims to provide a high quality environment for young people under-18 to develop key industry (and soft) skills, from ensemble skills to stagecraft and more. The programme offers young people the opportunity to write, record and perform music in fully equipped, professional settings led by industry experts and RNCM students.

**Royal Opera House:** In a new partnership this year, the Signatur Programme supported ROH's "Sing, Dance, Leap" project. This project is delivered in Bradford and will create an original performance piece that celebrates young people's hopes, dreams and their vision for the future. Performed by the young people, this large-scale piece will form the centrepiece of Bradford City of Culture 2025. Royal Opera House, Opera North and Northern Ballet come together in an exciting partnership offering schools and children a unique chance to channel their ambitions through song and dance into the hearts and minds of Bradford and far beyond.

**Southbank Centre:** The Signatur Programme continued to support the Southbank Centre's youth singing programme for children and young people. The programme provides inspiring and accessible opportunities to experience the transformative benefits of singing and seeks to embed meaningful musical participation into the lives of children and young people. The programme works in partnership with local music services to develop a comprehensive offer to secondary school students, including delivering in-school sessions which respond to feedback from teachers on the difficulty in finding time to support singing within schools, incorporating singing as a regular part of their music lessons.

**Sound Connections:** The Signatur Programme began support of Sound Connections' "WIRED UP" programme. The programme is centred on collaborating with young people and supports a diverse community of young creatives through training, bursaries, mentoring and paid work experience. Young people are given performance opportunities (produced by and for young people), real world experiences both on and off stage, and support to build their networks through an annual conference that brings together



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## Trustees' annual report (continued)

For the year ended 31 December 2024

music academics, practitioners, young people, and the music industry to discuss topical issues affecting young people who want to build creative careers.

**The Benedetti Foundation:** The Signatur Programme began support of The Benedetti Foundation's "Youth Ambassador Programme". The Programme offers young people aged 15-18 from across the UK the opportunity to work with both performance and music education experts and gain an insight into a variety of arts careers, equipping them with the vital knowledge and skills to advance their career opportunities. Young people from Scotland, England, Wales and Northern Ireland receive mentoring from experienced ambassadors, attend a series of online workshops and masterclasses, and attend in-person networking events that feature speakers from across the music industry.

**The Music Works:** The Foundation continued to support "The Drop" in Gloucester, an open access programme giving young people opportunities to get started and progress skills in a whole range of music activities including learning an instrument, forming a band, singing, rapping, beat-boxing, music technology, DJing, performing, broadcasting, recording, and putting on events. The Drop offers a safe place where young people can be creative with others and make music in a way that helps them thrive both creatively and within their lives.

For more information on the work of the Foundation in the field of music in the United Kingdom, please visit [www.signatur.org.uk](http://www.signatur.org.uk)

### Signatur Programme Sweden

Four grants totalling £602,031 (2023: three grants totalling £566,723) were made in the field of music under the umbrella of the Signatur Programme in Sweden during the year. Grants totalling £567,718 were made to Signatur Foundation Sweden which in turn has awarded fifteen grants detailed below.

In order to reach beneficiaries in Sweden and the Nordic region most effectively, the Trustees concluded this was best achieved by providing the funding to a Swedish charity, that in turn would be able to distribute grants and implement projects locally. In April 2018, "Signatur – Insamlingsstiftelse för musikfrämjande" (transl. "Signatur – Fundraising Foundation for Advancement of Music", hereinafter referred to as "Signatur Foundation Sweden") was entered into the foundation register of the Stockholm County Administrative Board. Signatur Foundation Sweden has an independent board of directors responsible for its strategy and governance and the Foundation has provided grant funding to the charity to be applied for its operations in carrying out projects which are exclusively charitable under the laws of England and Wales.

**Signatur Foundation Sweden** has the main public benefit purpose of promoting, solely or exclusively, a vibrant Swedish and Nordic music life by providing access to broad qualitative music education and improving the opportunities for the public to enjoy high quality music. In particular, it intends to promote efforts to broaden the base for Swedish and Nordic music life and to further create the conditions for cultural integration through music. In addition to music, Signatur Foundation Sweden can also support other closely related forms of performing arts such as dance, ballet or theater. The object costs of Signatur Foundation Sweden were around £525,000 in 2024 funding fifteen grants (2023: around £480,000 funding ten grants):

**ALMA:** Signatur Foundation Sweden has supported the production of "Gränslandet – a Symphonic Festival" since 2018 and contributed to the 2024 festival edition (awarded in 2023). With a strong commitment to taking classical music to new places and reaching a wider audience, pianist David Huang and conductor Christian Karlsen founded "Gränslandet – a Symphonic Festival" at the Trädgården venue in Stockholm. In collaboration with some of the best musicians and performers of our time, they have created unique musical experiences for people of all ages, regardless of background and previous musical



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## Trustees' annual report (continued)

For the year ended 31 December 2024

experience. With pop culture references and contemporary artistic expressions in a setting where younger audiences feel at home, they show visitors that classical music is for everyone.

**Chronotopia:** this organisation brings local historic events to life through newly written high quality classical music. Signatur Foundation Sweden supported “The Deer Park”, a collaborative project between Chronotopia, one of Sweden’s leading choirs, Öland Historical Society and secondary school students. The newly commissioned choral drama addresses the historical oppression of the common people of Öland and how this affected the islanders’ relationship with the state authorities.

**Cirkus Cirkör:** the circus was founded in 1995 and is the largest circus company in the Nordic region. Its activities include performances worldwide, a circus high school, courses and educational activities for all ages. Signatur Foundation Sweden supported a pilot version of the “After School Circus” project in four schools with the aim of contributing to integration, increased security and togetherness as well as strengthening the children's self-esteem and ability to collaborate in meaningful leisure time. Pupils at the selected schools receive circus training once a week, plus access to holiday courses.

**Den Andra Operan ('DAO'):** Signatur Foundation Sweden continued to support “Unboxing Female Opera”, an innovative project that aims to create a new format for opera and its audience. Through a unique combination of concerts, workshops and seminars with musicians, DAO invites new audiences into the world of opera while allowing unheard works by female composers to regain their place in the opera repertoire. The project is based on in-depth music research and is conducted in close cooperation with musicologists, researchers, performers and national/international experts with the aim of processing and testing the previously unheard repertoire.

**Dream Orchestra ('DO'):** Signatur Foundation Sweden continued to support the orchestra in its new project “Dream Orchestra Learning Centre” which aims to develop a multi-faceted learning profile to meet the needs of a growing and culturally diverse student population. With the support of teachers, the young DO leaders will learn to lead vocal or full orchestral rehearsals in a holistic way, and help students develop their socio-emotional skills. The leaders will also cultivate and exchange important personal, musical, pedagogical, and didactic skills and the learning experience will be documented in an end of project publication.

**Drottningholm Palace Theatre:** Signatur Foundation Sweden continued its support (awarded in 2023) of a new children’s production for primary school pupils aged 6-10 years entitled “Wild Storms of the Heart – À la Baroque”. The project invites primary school children, particularly from disadvantaged areas to an in-depth cultural experience with history and music in a unique period setting.

**Folkoperan:** Signatur Foundation Sweden began support of the “Folkoperan Talent Programme” which aims to identify emerging singers, musicians and conductors in the opera genre and to support and develop their skills to give them a better chance of entering the labour market. The programme is unique in that it is aimed at artists from primary schools to university graduates from all over the Nordic region.

**Folkteatern Gävleborg:** Signatur Foundation Sweden began supporting Folkteatern Gävleborg, in collaboration with Scen:se, to develop their work through the “Accessible Performing Arts in Collaboration” programme with Oily Cart Theatre, aimed at children and young people with complex disabilities. A new performance will be created in three formats: 1) ‘at home’ using tactile objects and digital material, 2) theatre performance on tour for special needs schools, 3) art installation in galleries and museums for all visitors. A centre of excellence is planned to collaborate with associations nationally and internationally to promote performing arts for people with special needs.



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## Trustees' annual report (continued)

For the year ended 31 December 2024

**Fryshuset:** Signatur Foundation Sweden continued its support of the “Empower Production” programme which aims to enable more young girls and non-binary people from socio-economically disadvantaged areas to create and produce music and gain access to a career in music production.

**IMPRA:** Signatur Foundation Sweden began support of the “IMPRA Jam and Networking Events” programme which aims to empower jazz and improvisation musicians who identify as women/transgender/non-binary and targets schools and institutions which train future musicians. The project offers jam sessions, networking events, workshops, lectures and concerts to create a more inclusive Swedish jazz scene.

**Järna Festival Academy:** Signatur Foundation Sweden continued its support of the “Running with Beethoven” programme (awarded in 2023) which combines culture and public health. A symphony orchestra of international music students plays Beethoven's Fifth Symphony during a 5 km race for runners of all ages. The musicians perform from the concert hall and speakers along the neighbouring running track simultaneously broadcast the music live.

**KVAST:** Signatur Foundation Sweden began support of “ELNA – Equality Library for Nordic Art Music” programme which aims to create an online database of works by female and non-binary composers from the Nordic countries in the Western classical music genre. The database will be promoted internationally to concert organisers, venues and musicians and will help make it suitable for teaching and for young and amateur musicians.

**Linnaeus University:** Using surplus funds granted in 2023, Signatur Foundation Sweden continued its support for the “Make Music Matter!” programme aimed at primary and secondary school students, and which offers quality music education and development through teacher-led lessons and digital services. In 2024, support was extended towards activities at major events, such as Järvaveckan, Folk and Culture, and also songwriting and vocal workshops.

**Man Must Sing (‘MMS’):** MMS commissions, produces and performs new norm-creative socially relevant opera sung in Swedish to reach audiences unfamiliar with the genre. Signatur Foundation Sweden supported the new 40 minute chamber opera “I’ve never felt this way about anyone and it’s not something I say to everyone” aimed at upper secondary school students.

**Musethica Sweden:** Signatur Foundation Sweden continued its support of the “Musethica” programme which aims to spread high-quality classical music throughout society by performing live chamber music concerts for marginalised groups and groups at risk of exclusion, for example in settings such as hospitals, psychiatric institutions, prisons, integration centres, nursing homes and activity centres for people with disabilities. Its training programme offers talented young musicians the opportunity to play live concerts as an integral part of their training and helps to combat social exclusions and isolation in society.

**Royal Academy of Music (UTOM):** Signatur Foundation Sweden continued to support the Unga Tankar om Musik (UTOM's) music innovation programme with the project “Play for Change”. The focus is to reach the local music scene and business community in Norrbotten to gather experience and inspire new ways of working in the region’s social transition. The programme culminates in a two-day event in collaboration with children, young people, local musicians, progressive entrepreneurs and politicians at all levels.

For more information on the work of Signatur Foundation Sweden, please visit [www.signatur.se](http://www.signatur.se)



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## Trustees' annual report (continued)

For the year ended 31 December 2024

Ordinarily, grants for Swedish music charities are funded by Signatur Foundation Sweden. However, the Foundation made a grant directly to one Swedish non-profit organisation during the financial year:

**RBU Skåne:** “Adapted music sessions for children with disabilities” is a programme designed to provide music productions for children with special needs in collaboration with Musik i Syd. Existing productions are reworked to meet the needs of the children, and the musicians will be coached by a music therapist to adapt their performance. The process will be documented in a training manual that can be used by producers and musicians throughout the country. The ultimate goal is to stage an opera production adapted for the target group.



### LACT Programme

In earlier financial years, grants in the field of poverty, health and education in Latin America were extended to the Latin American Children's Trust ('LACT'), a charity registered in England and Wales, whose charitable objects aligned with the Foundation's. LACT supported charitable projects in the Andean region since 2004 with long standing relationships with key charitable organisations operating in the region.

The legal structure of how the LACT Programme is delivered changed in 2023 with the dissolution of the Latin American Children's Trust. The programme continues to be delivered without change of strategic direction by the Foundation. Prior to dissolution LACT used its remaining funds, substantially originating from funding in prior years from the Foundation, in support of the following partner programmes which continued to be implemented during the year:

**Children Change Colombia:** “Youth reintegration into society: a community-based, narrative approach towards mental health”. The LACT Programme began supporting this initiative in 2022 which targets children and young people formerly associated with armed groups in Colombia and provides psychosocial support and life skills-building to help them reintegrate society and reduce the risk of returning to patterns of violence, drug addiction and crime. The following local partners of Children Change Colombia are implementing the programme in the region: CRAN (Centro para el Reintegro y Atención del Niño) and TDJ (Tiempo de Juego).

**Save the Children:** “Safer Childhoods for a brighter future in Colombia”. The LACT Programme has been supporting Save the Children's protection work in Colombia since 2006. The current programme aims to contribute to improving the protection and welfare situation of children, adolescents and their families in communities affected by violence and armed conflict in Tumaco, Colombia. It will equip children and adolescents with improved knowledge and capacities to develop prevention practices towards recruitment in armed conflict contexts and sexual violence. It will also enable parents, caregivers and community members to establish effective mechanisms for active prevention of protection risks for children and adolescents.

The Foundation made ten grants totalling £711,887 (2023: four grants totalling £340,485) directly to the following LACT Programme partners:

**CAFOD:** “The Andes Programme”. The LACT Programme has been supporting CAFOD's work to improve the lives of some of the most marginalised families, children and communities affected by poverty,



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## Trustees' annual report (continued)

For the year ended 31 December 2024

violence, environmental degradation and conflict in the Andean countries since 2005. The current phase continues to support vulnerable urban, rural and indigenous communities in Bolivia, Colombia and Peru, protecting the rights of children, communities and the environment, strengthening resilience to impacts from climate change and promoting more harmonious relationships with each other and the environment. The following local partners of CAFOD are implementing the programme in the region: Warmi Huasi, DESCO (Centro de Estudios y Promoción de Desarrollo), CIDAP (Centro de Investigación, Documentación y Asesoría Poblacional), PDPMM (Programa de Desarrollo y Paz del Magdalena Medio), IIADI (Instituto de Investigación y Acción para el Desarrollo Integral) and CENDA (Centro de Comunicación y Desarrollo Andino).

**Children Change Colombia:** “Preventing sexual and gender-based violence in Bogotá, Barranquilla, Santa Marta and Cartagena in Colombia”. Since 2018, The LACT Programme has been supporting Children Change Colombia’s efforts to defend the rights of some of the most at-risk children in the country, ensuring they can grow up in safety, free from violence, exploitation, and poverty. The current programme focuses on empowering children and young people at risk of sexual and gender-based violence in Bogotá, Barranquilla, Santa Marta, and Cartagena. Through this initiative, children, young people, and their communities will build the knowledge and skills needed to prevent violence and create protective environments. The following local partner of Children Change Colombia is implementing the programme in the region: ACJ (Asociación Cristiana de Jóvenes).

**Daniëlle Children’s Fund:** “Community project for the prevention of violence against children and adolescents in Ecuador”. Since 2005, Daniëlle Children’s Fund (DCF) has worked in Ecuador to strengthen childcare legislation and implement child protection programmes. The LACT Programme began support of the Community Project for the Prevention of Violence Against Children and Adolescents in Pifo, a three-year initiative launched in January 2024. The programme was co-created with over 100 community members, including children, adolescents, local leaders, professionals, and organisations. It aims to prevent the normalisation of violence in families, schools, and the broader community. Through this initiative, DCF promotes preventive and alternative care within local communities.

**Lumos:** “Transforming systems of care and protection in Colombia”. This work has been part of the LACT Programme since 2020 and the next phase aims to achieve systemic change by influencing public policies underpinning care reform. Lumos partners with Michin Fundación to strengthen family and community-based services to prevent children from being placed in institutions, and to support the safe reintegration of children with their families. Lumos also works with the Colombian government through the Colombian Family Welfare Institution (ICBF) to develop a strategy of family reintegration and scaling back residential care.

**Plan International UK:** “Promoting the health and rights of young people in Manabí, Ecuador”. Plan’s work to improve adolescent sexual health education and rights in Ecuador has been part of the LACT Programme since 2016. This next phase of the programme aims to reduce early and forced marriages, unwanted and unintended adolescent pregnancy and gender-based violence in fourteen rural communities in the province of Manabí. The project’s strategy centres around the creation of youth clubs to bring together young women and men to learn about their sexual and reproductive health and rights, address harmful practices and other forms of gender-based violence, share their experiences and mobilise to advocate for their rights.

**Plan International UK:** “Building for the future with young women in Bolivia”. Since 2021, the LACT Programme has supported Plan International’s efforts to empower young indigenous women in the Bolivian highlands. The current three-year phase focuses on promoting the social and economic empowerment of indigenous adolescents and young women in Betanzos. The programme strengthens entrepreneurial and feminist leadership skills while challenging cultural and social norms that limit their opportunities. By



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## Trustees' annual report (continued)

For the year ended 31 December 2024

enhancing technical and entrepreneurial capabilities, it aims to expand access to economic opportunities. Participants are equipped with the tools needed to launch and sustain their own business ventures.

**Sense International:** "Improving inclusive education: promoting the rights of people with deafblindness and multiple disabilities in Peru and Ecuador". The LACT Programme has been supporting Sense International's efforts to strengthen inclusive education in underserved regions of Peru since 2015. The programme focuses on enhancing the skills of professionals in both special and mainstream education settings. Sense International Peru works closely with the Ministry of Education and regional authorities to remove barriers to education for children with deafblindness and multiple disabilities. Recently, they signed an agreement with Fundación Hermano Miguel, which will serve as the local partner for project implementation in Ecuador.

**Teach for All Network:** "Providing support to Enseña por Colombia, Enseña Ecuador, Enseña por Bolivia and the Teach for All global organisation's partner support". The LACT Programme is providing support to Teach for All's mission to expand educational opportunities for children in the Latin America region. The core programme includes recruiting and supporting young local graduates who will spend at least two years teaching in marginalised communities. In addition to local knowledge sharing, the contribution to public policy discussions helps the development of effective teaching and learning over the wider region's education ecosystem.

**World Vision:** "Youth Green: Ensuring sustainable futures for young people in Ecuador". Since 2010, the LACT Programme has been supporting World Vision's work to help the most vulnerable children overcome poverty in the Andes. The current programme focuses on empowering Ecuadorian youth in the Napo region by promoting sustainable economic inclusion and environmental management. The initiative aims to enhance psychosocial well-being, develop entrepreneurial skills, and increase youth participation in sustainable business activities. By equipping young people with the tools to build economic resilience and environmental awareness, the programme fosters long-term opportunities for growth and sustainability within their communities.

### Grant Making Process

Each programme is managed by a dedicated Programme Manager who, with the support of the respective Advisory Board, reports to the Trustees. The Programme Managers, together with the Foundation Administrator, serve as the main contacts for partner organisations. In addition to handling the grant cycles, a key function of theirs is to be active participants in respective sectors and to create network effects among partner organisations. The Foundation is not operating a scheduled application process, rather searches for new partnerships through its various contact points in respective sectors.

Grants are made and monitored in accordance with the Grant Making Policy and other procedures adopted by the Trustees. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, with emphasis on projects that are likely to have a long-lasting impact and that are in accordance with the objectives of the Foundation. The Trustees may attach conditions to grants made by them. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the Trustees that the funds will be applied for the purposes for which they were given. Onward grants made by Signatur Foundation Sweden are made in accordance with its grant making procedures which contain similar provisions to those of the Foundation.

The Trustees will identify the project to be funded by the grant or identify that the grant is expendable for the grantee's general charitable purposes. They will also require acknowledgement of the grant and seek evidence from grantee organisations that they have in place satisfactory safeguarding policies consistent with the Foundation's own Safeguarding Policy.



## Trustees' annual report (continued)

For the year ended 31 December 2024

### Financial Review

Incoming resources of the Foundation comprised donations, investment and interest income. The Foundation received substantial contributions in the form of expendable endowment in 2017, 2018, 2023 and 2024. The grants provide that the Trustees shall apply the income derived from the expendable endowment to such purposes within its charitable objects as they may determine and may, at their discretion, decide that all or any part of it may be expended on such purposes. However, despite the fact that the whole of the expendable endowment may be expended by the Trustees, it was the original donor's wish that it be invested to produce income on a long-term basis for charitable expenditure for the public benefit.

The Foundation's resources and capabilities have evolved since its formation including recruitment of a Finance team comprising the Finance Director and, in early 2025, a Finance Manager. In the financial year the Foundation received a significant grant increasing investable assets by approximately 176%. This evolution has necessitated a continued focus on the investment strategy of the Foundation.

Following the formation of the Foundation, the Trustees appointed a single investment manager to manage the investment portfolio of the expendable endowment, Goldman Sachs International. With the receipt of additional funds in 2023, the Trustees considered it prudent to engage a broader set of investment managers and funds in order to diversify operational and market risks and also to enable a more efficient control of investment management expenses related to specific asset class mandates. At the end of 2023, the Goldman Sachs mandate was restructured into separate equity and fixed income mandates. In addition to the discretionary mandates awarded, direct fund investments were made in absolute return (Lexcor Feeder Fund in March 2024) and private credit (Apollo Debt Solutions BDC in May 2024) strategies custodied with SEI Investment (Europe) Limited. The significant further addition in 2024 to the expendable endowment was received towards the end of the year and was initially allocated to the Goldman Sachs mandates and to cash and money market funds. Subsequently funds were also added to the Brown Advisory mandate. Further commitments to investment funds are anticipated during 2025.

The Trustees have reviewed the performance of the investment portfolio and noted it achieved a return of 6.5% in 2024 (time weighted return) vs the annual observation of 6.8% of the Investment Objective (see Investment Policy section below for definition; 10% in 2023 vs 11.8%). The returns of each external mandate and directly invested fund are measured against separately specified benchmarks by relevant asset class. How the reported return of the investment portfolio translates into investment income for the period needs to be looked at, keeping in mind that the addition received into the expendable endowment occurred late in the year. At year end, assets were invested in global equity (39%) and fixed income markets (27%), cash and money markets (25%) as well as alternative and other investments (9%), with assets held in US dollars (69%), British pounds (28%) and euros (3%).

Total income for the year totalled £101,493,537 (2023: £31,435,102) and total expenditure for the year totalled £2,733,282 (2023: £1,925,698) of which £2,481,158 (2023: £1,765,467) was expenditure on charitable activities.

The Foundation's funds increased to £162,494,984 as at 31 December 2024 from £59,718,765 as at 31 December 2023, which comprises the net income before gains and losses of £98,760,255 (2023: £29,509,404) together with the net gain on investments of £1,948,229 (2023: £2,291,792) and foreign exchange gain of £2,067,735 (2023: loss of £1,497,038).

### Reserves Policy

In adopting its Reserves Policy, the Trustees have considered the level of unrestricted income likely to arise from the expendable endowment and their power to convert investments held in the expendable endowment fund, if necessary, into income.



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## Trustees' annual report (continued)

For the year ended 31 December 2024

They have also considered their grant-making intentions and obligations and the impact on grantee organisations if any funding obligations were not to be met. For specific grants expected to materialise in the immediate future (within the next three months), the Trustees may choose to designate a part of the unrestricted funds to cover those amounts as designated funds. They have reviewed the Foundation's operating costs and the risks to which the Foundation is exposed, particularly with regard to its investment portfolio.

Taking these factors into account, it is the Trustees' policy to retain, out of the Foundation's unrestricted income, £250,000 in reserves which is deemed sufficient for immediate outlays (other than those with respect to designated funds, if any).

As at 31 December 2024, the Foundation has unrestricted funds of £1,685,521 (2023: £1,406,149) and the designated funds were £837,594 (2023: £741,800). Consequently, the reserves as at 31 December 2024 amounted to £847,927 (2023: £664,349).

### Investment Policy

The Investment Policy Statement is currently under review to reflect the additions of funds to the expendable endowment. The amounts mentioned below will likely be increased by a factor of four. In other regards, the policy is not envisaged to change in any material respect.

The ultimate investment objective of the Foundation is to enable it to fund charitable projects in the UK and elsewhere, where the real funding value is maintained through time. Triangulating the current annual grant budget (£2m), size of expendable endowment (£58m) and anticipated investment income (£2m), it is appropriate for the Trustees to have a long-term investment horizon. This allows the Trustees to consider investments, such as private equity, with in excess of ten years duration. However, it is an ambition of the Trustees that over time the annual grant budget will increase in real terms, making it prudent for the majority of the portfolio to be managed to a shorter time horizon of five years.

The Trustees have adopted a long-term portfolio return objective of inflation + 3% (the "Investment Objective"), measured in equal proportions of US and UK inflation indicators and for reporting purposes expressed in GBP. The Trustees aim to achieve their Investment Objective by reviewing, selecting and ongoing evaluating a range of discretionary investment managers and investment funds in line with the determined asset allocation. The selection is conducted asset class by asset class.

The Trustees, assisted by the Finance Committee will determine the appropriate asset allocation from time to time depending on market circumstances and short, mid and long-term needs with the ultimate objective of enhancing the Foundation's ability to fulfil its objects.

The Trustees are mindful of the fact that beneficiaries are located across many countries and the real value of grants from the Foundation will be subject to currency fluctuations. With the ultimate beneficiaries expected to be based in Sweden, the UK and in Latin America and considering the cost effectiveness, liquidity considerations and investment practicalities for investing in Swedish krona or various Latin American currencies, and in particular the long-term horizon of the endowment fund's investment portfolio, the Trustees consider it reasonable to maintain exposure to a diversified broad global currency mix without a detailed ambition to match currency exposure of the current set of beneficiary programmes. Individual mandates or investments are denominated and measured against a defined base currency (GBP, USD or EUR). The Trustees monitor the overall currency mix on an overall portfolio basis.

As at the year end, all investments and money market funds are held in custody by Goldman Sachs International or SEI Investments (Europe) Limited.



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## Trustees' annual report (continued)

For the year ended 31 December 2024

### Statement as to disclosure of information to Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Foundation's auditor is 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 auditor is aware of that information.

### Auditors

Rawlinson & Hunter Audit LLP offers itself for reappointment as auditor in accordance with the Charities Act 2011.

### For and on behalf of the Trustees



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Erland Karlsson, Trustee ..... 9 July ..... 2025



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## Trustees' responsibilities statement

For the year ended 31 December 2023

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law, the Charities Act 2011 and where relevant, the Charities Act 2022 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019.

The law applicable to charities in England and Wales 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 Foundation at the end of the year and of its incoming resources and application of resources during that year. In preparing the financial statements, the Trustees should follow best practice and are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011 and where relevant, the Charities Act 2022 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent auditor's report**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Opinion**

We have audited the financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement Cash Flows and the related notes 1 to 14. 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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2024 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, and where relevant the Charities Act 2022.

#### **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 below. We are independent of the Foundation 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 Foundation'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.



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## **Independent auditor's report (continued)**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Other information**

The other information comprises the information included in the Report and Accounts set out on pages 4 to 19 and the Trustees' responsibilities statement on page 20. The Trustees are responsible for the other information contained within the Trustees' annual report and financial statements.

Our opinion on the financial statements does not cover the other information and 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 the 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 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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 Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 20 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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## Independent auditor's report (continued)

### to the Trustees of The Karlsson Játiva Charitable Foundation

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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.

Our assessment of the susceptibility of the entity's financial statement to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and low volume of transactions within the Trust, there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals who comprise "management" and therefore, there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011 and where relevant the Charities Act 2022, money laundering legislation, health and safety and employment law. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Trust has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Trust activities during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Trust for previously unreported related party transactions; and



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## Independent auditor's report (continued)

### to the Trustees of The Karlsson Játiva Charitable Foundation

- review of transactions and journals for any indication of fraud, management override or bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 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 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 Foundation and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Rawlinson & Hunter Audit LLP*  
Rawlinson & Hunter Audit LLP, Statutory Auditor

London

Date: *9 July* 2025

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Statement of financial activities

For the year ended 31 December 2024

	Notes	Unrestricted funds £	Expendable endowment £	2024 Total funds £	2023 Total funds £
<b>Income</b>					
Donations	2	6,645	98,725,122	98,731,767	29,590,409
Investment income	3	1,726,169	-	1,726,169	760,829
Interest on cash and money market funds		1,035,601	-	1,035,601	1,083,864
<b>Total income</b>		<b>2,768,415</b>	<b>98,725,122</b>	<b>101,493,537</b>	<b>31,435,102</b>
<b>Expenditures</b>					
<i>Costs of raising funds:</i>					
Investment management fee		19,196	232,928	252,124	160,231
<i>Expenditures on charitable activities:</i>					
Signatur Programme	4	1,643,419	-	1,643,419	1,290,657
LACT Programme		837,739	-	837,739	368,038
Research		-	-	-	106,772
<b>Total expenditure</b>		<b>2,500,354</b>	<b>232,928</b>	<b>2,733,282</b>	<b>1,925,698</b>
<b>Net income before gains and losses</b>		<b>268,061</b>	<b>98,492,194</b>	<b>98,760,255</b>	<b>29,509,404</b>
Net gains on revaluation of investments	7	-	1,948,229	1,948,229	2,291,792
<b>Net income for the year</b>		<b>268,061</b>	<b>100,440,423</b>	<b>100,708,484</b>	<b>31,801,196</b>
<b>Transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign exchange gains/(losses)		11,311	2,056,424	2,067,735	(1,497,038)
<b>Net movement in funds</b>		<b>279,372</b>	<b>102,496,847</b>	<b>102,776,219</b>	<b>30,304,158</b>
<b>Fund balances brought forward</b>		<b>1,406,149</b>	<b>58,312,616</b>	<b>59,718,765</b>	<b>29,414,607</b>
<b>Fund balances carried forward</b>		<b>1,685,521</b>	<b>160,809,463</b>	<b>162,494,984</b>	<b>59,718,765</b>

All income and expenditure derive from continuing activities.

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

The notes 1 to 14 on pages 28 to 38 form an integral part of these financial statements.



## Statement of financial position

For the year ended 31 December 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible fixed assets	6	9,067	1,878
Investments	7	120,367,628	23,892,975
		<u>120,376,695</u>	<u>23,894,853</u>
<b>Current assets</b>			
Debtors	8	819,527	403,889
Cash and money market funds		41,478,317	35,534,570
		<u>42,297,844</u>	<u>35,938,459</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<u>(179,555)</u>	<u>(114,547)</u>
<b>Net current assets</b>		<u>42,118,289</u>	<u>35,823,912</u>
<b>Net assets</b>		<u>162,494,984</u>	<u>59,718,765</u>
Representing:			
<b>The funds of the charity</b>			
Expendable endowment		160,809,463	58,312,616
Unrestricted income fund		<u>1,685,521</u>	<u>1,406,149</u>
<b>Total charity funds</b>	10	<u>162,494,984</u>	<u>59,718,765</u>

The Financial Statements on pages 25 to 38 were approved and authorised for issue by the Trustees at the Trustees meeting on 9 July 2025 and were signed on behalf of the Trustees by:

Erland Karlsson, Trustee

The notes on pages 28 to 38 form an integral part of these financial statements.



## Statement of cash flows

For the year ended 31 December 2024

	2024 £	2023 £
<b><i>Cash flows from operating activities</i></b>		
Net movement in funds	102,776,219	30,304,158
<i>Adjustments for:</i>		
Interest and dividend income from investments	(1,726,169)	(760,829)
Interest from cash and money market funds	(1,035,601)	(1,083,864)
Gains on investments	(1,948,229)	(2,291,792)
Foreign exchange (gains)/losses	(2,067,735)	1,497,038
Depreciation of tangible fixed assets	2,189	-
Increase in debtors	(415,638)	(369,800)
Increase in creditors	65,008	51,840
<b><i>Cash generated in operating activities</i></b>	<u>95,650,044</u>	<u>27,346,752</u>
<b><i>Cash flows from investing activities</i></b>		
Interest and dividend income from investments	1,726,169	760,829
Interest from cash and money market funds	1,035,601	1,083,864
Purchase of tangible fixed assets	(9,378)	(1,878)
Purchase of investments	(108,643,472)	(33,323,144)
Proceeds from sale of investments	14,117,048	40,359,142
<b><i>Cash (used)/generated from investing activities</i></b>	<u>(91,774,032)</u>	<u>8,878,812</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	3,876,012	36,225,564
<b><i>Cash and cash equivalent at the beginning of the year</i></b>	35,534,570	806,044
Change in cash and cash equivalent due to exchange rate movements	2,067,735	(1,497,038)
<b><i>Cash and cash equivalent at the end of the year</i></b>	<u>41,478,317</u>	<u>35,534,570</u>
<b><i>Analysis of cash and cash equivalents</i></b>		
Money market funds	40,055,946	29,933,319
Cash in brokerage accounts	1,381,878	5,398,679
Cash at bank	40,493	202,572
<b><i>Total cash and cash equivalents</i></b>	<u>41,478,317</u>	<u>35,534,570</u>

The notes on pages 28 to 38 form an integral part of these financial statements.



## Notes to the financial statements

For the year ended 31 December 2024

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements have been prepared in accordance with the Charities Act 2011, and where relevant the Charities Act 2022, and with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Karlsson Játiva Charitable Foundation (“the Foundation”) meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties surrounding the Foundation’s ability to continue as a going concern. As noted in the Trustees’ annual report, the target of the Foundation is to have reserves of £250,000. As at 31 December 2024 the unrestricted funds of the Foundation were £1,685,521 (2023: £1,406,149) and the designated funds were £837,594 (2023: £741,800). Consequently, the reserves as at 31 December 2024 amounted to £847,927 (2023: £664,349) which is in excess of the target, and hence the Trustees consider the going basis to remain appropriate.

With respect to the next reporting period, the most significant area of uncertainty that affects the reserves of the Foundation is the performance of investment markets which will determine the carrying value of the investments held by the Foundation. The significance of fixed asset investments to the ongoing financial sustainability of the Foundation is considered in the financial review, principal risks and investment policy sections of the Trustees’ annual report.

#### b) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation is legally entitled to the income, it is probable that the income will be received, and the amount of income can be quantified with reasonable accuracy. Income from donations is included when any conditions for receipt have been met and there is reasonable assurance of receipt which is usually when the Foundation has control over the income. Investment income is included when receivable and the amount can be measured reliably which is usually upon notification to the Foundation from the investment manager.

#### c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including grants provided in support of the objects of the Foundation, overhead expenses and governance costs, are allocated or apportioned to applicable expenditure headings. Refer to note (d) below for more information on this attribution.



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## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1. Accounting policies (continued)

#### c) Expenditure recognition (continued)

Grants provided in support of the objects of the Foundation are payments made to institutions which are partner organisations of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Foundation.

Overhead expenses relate to the fees chargeable by the investment managers.

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to staff, rent, administration, statutory audit and legal fees.

#### d) Allocation and apportionment of expenses

Overhead expenses have been allocated to costs of raising funds.

Grants provided in support of the objects of the Foundation have been allocated to expenditure on charitable activities. Charitable activities comprise the projects operated by the partner organisations of the Foundation and are categorised by activity, as detailed in note 4.

Governance costs have been apportioned over the appropriate categories, as detailed in note 4, on the basis of the number of individual grant awards made in recognition that the administrative costs of assessing, awarding and monitoring each grant is broadly equivalent.

#### e) Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) Charitable activities

Costs of charitable activities include grants provided in support of the objects of the Foundation and governance costs. The allocation to activity of grants paid and the apportionment between activities of governance costs incurred is detailed in note 4.

#### g) Financial instruments

Investments are initially recognised at their transaction value and subsequently measured at fair value as at the Statement of Financial Position date using the closing quoted market price and closing NAV for funds. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Foundation does not acquire derivatives or other complex financial instruments.

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments such as high grade daily liquidity money market funds.



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 1. Accounting policies (continued)

#### h) Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### i) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

- Computer equipment – 3 years straight line
- Leasehold improvements – over term of lease

#### j) Provisions

Provisions for grant payments to partner organisations of the Foundation are made when the intention to make a grant has been communicated to the partner organisation but there is uncertainty about either the timing of the grant or the amount of grant payable. No provisions are made for future conditional instalments of multi-year grants where the payment of such instalment remains at the discretion of the Trustees.

#### k) Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income and retained earnings on a straight line basis over the lease term. The value of any rent free periods are amortised over the life of the lease.

#### l) Key judgements and estimates

In applying the Foundation's accounting policies, the Trustees may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the financial year.

The Trustees' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the financial year in which the estimate is revised.

The Trustees are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

### 2. Donations

Income from donations totalled £98,731,767 (2023: £29,590,409), of which £6,645 (2023: £13,720) was unrestricted and £98,725,122 (2023: £29,576,689) was restricted as an expendable endowment.



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 3. Investment income

	2024 £	2023 £
Listed investments:		
Dividends - Non UK equities	317,097	317,402
Dividends – Other Investments	405,482	140,642
Interest - UK fixed interest securities	358,430	76,396
	645,160	226,389
Interest - Non UK fixed interest securities		
	<u>1,726,169</u>	<u>760,829</u>

### 4. Analysis of expenditure on charitable activities

The Foundation undertook no direct charitable activities but awarded support grants to several institutions in furtherance of its charitable activities. The support grants are analysed below between the three categories of activity together with the allocation of governance costs incurred by the Foundation.

Charitable activity	Support Grants to Institutions £	Allocation of Governance Costs £	Total Expenditure 2024 £	Total Expenditure 2023 £
Signatur Programme	1,353,958	289,461	1,643,419	1,290,657
L.ACT Programme	711,887	125,852	837,739	368,038
Research	-	-	-	106,772
	<u>2,065,845</u>	<u>415,313</u>	<u>2,481,158</u>	<u>1,765,467</u>

Support grants by country	2024 £	2023 £
<b>Signatur Programme</b>		
Sweden	602,031	566,723
United Kingdom	751,927	599,945
	<u>1,353,958</u>	<u>1,166,668</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 4. Analysis of expenditure on charitable activities (continued)

	2024	2023
	£	£
<b>Support grants by country</b>		
<b>LACT Programme</b>		
Bolivia	194,359	23,333
Colombia	182,144	88,334
Ecuador	189,260	116,539
Peru	146,124	-
Venezuela	-	112,279
	<u>711,887</u>	<u>340,485</u>

For the LACT Programme, breakdown by country relates to place of implementation; all grants were paid to charities registered in the United Kingdom with the exception of one donation of £15,912 to Daniëlle Children's Fund, a charity registered in the Netherlands.

	2024	2023
	£	£
<b>Support grants by country</b>		
<b>Research</b>		
United Kingdom	-	99,884
	<u>-</u>	<u>99,884</u>

	2024	2023
	£	£
<b>Support grants by institution</b>		
<b>Signatur Programme</b>		
Aurora Orchestra	50,000	50,000
Awards for Young Musicians ( <i>Young Sounds UK working name</i> )	50,000	50,000
Birmingham Conservatoire	76,617	73,408
Bradford Culture Company	50,000	-
Diocese of Westminster	27,062	26,289
Liverpool FC Foundation	75,000	75,000
London Music fund	60,000	82,000
London Sinfonietta	20,000	-
Music Masters	50,000	50,000
Music of Life	20,000	20,000
Noah's Ark Children's Hospice	-	50,000
ORA Choir	10,000	20,000
RBU Skåne	34,313	24,629
Royal Academy of Music	25,000	25,000



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 4. Analysis of expenditure on charitable activities (continued)

	2024	2023
	£	£
<b>Support grants by institution</b>		
<b>Signatur Programme</b>		
Royal Liverpool Philharmonic Society	50,000	-
Royal Northern College of Music	20,000	-
Royal Opera House	30,000	-
Royal Swedish Opera	-	39,609
Signatur Foundation Sweden	567,718	502,485
Sound Connections	20,000	-
Southbank Centre	50,000	50,000
The Benedetti Foundation	40,000	-
The Music Works	28,248	28,248
	<u>1,353,958</u>	<u>1,166,668</u>
<b>LACT Programme</b>		
CAFOD	198,090	-
Children Change Columbia	65,000	-
Daniëlle Children's Fund	15,912	-
Lumos	75,000	75,000
Plan International	163,581	93,206
Save the Children	-	112,279
Sense International	64,304	-
Teach for All Network	60,000	60,000
World Vision	70,000	-
	<u>711,887</u>	<u>340,485</u>
<b>Research</b>		
RUSI	-	99,884
	<u>-</u>	<u>99,884</u>

### 5. Governance costs

	2024	2023
	£	£
Auditors' remuneration comprises		
audit services	13,200	9,300
Staff costs		
wages and salaries	122,349	65,181
social security costs	12,386	6,066
pension costs	5,136	900



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 5. Governance costs (continued)

	2024	2023
	£	£
Legal and professional fees	94,870	16,314
Office rent	52,376	29,786
Accountancy	13,108	7,073
Taxation services	9,076	1,200
Bank charges and interest	1,251	578
Other administration	48,578	14,173
IT fees	40,794	7,859
Depreciation	2,189	-
	<u>415,313</u>	<u>158,430</u>

Governance costs have been apportioned to charitable activities on a pro rata basis in accordance with the number of grants awarded during the year to each of the charitable activities.

In 2024 there was an increase in Governance costs due to the expanded scope of the Foundation.

The Foundation had four employees during the year and the average headcount was four (2023: three).

### 6. Tangible fixed assets

	Computer equipment £	Leasehold improvements	Total £
Cost			
At 1 January 2024	1,878	-	1,878
Additions	1,836	7,542	9,378
At 31 December 2024	<u>3,714</u>	<u>7,542</u>	<u>11,256</u>
Depreciation			
At 1 January 2024	-	-	-
Additions	932	1,257	2,189
At 31 December 2024	<u>932</u>	<u>1,257</u>	<u>2,189</u>
Net book value			
At 31 December 2024	<u>2,782</u>	<u>6,285</u>	<u>9,067</u>
At 31 December 2023	<u>1,878</u>	<u>-</u>	<u>1,878</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 7. Investments

	2024	2023
	£	£
Movement in fixed asset listed investments		
Opening market value	23,892,975	28,637,181
Additions at cost	108,643,472	33,323,144
Disposals at carrying value	(14,117,048)	(40,359,142)
Net gains on revaluation	1,948,229	2,291,792
Closing market value	<u>120,367,628</u>	<u>23,892,975</u>
	2024	2023
	£	£
Investments at fair value comprised		
UK equities	2,146,812	-
Non UK equities	60,834,962	11,474,744
UK fixed interest securities	19,958,867	4,513,316
Non UK fixed interest securities	23,405,784	5,249,276
Other investment	14,021,203	2,655,639
	<u>120,367,628</u>	<u>23,892,975</u>

The Trustees consider that there were no material individual investment holdings that require disclosure. All investments are traded in quoted public markets or held through investment funds and carried at their fair value.

The basis of fair value for quoted investments is equivalent to the market value, using the closing price for securities and closing NAV for funds. Investment additions and disposals are recognised at the date of trade at cost, being the transaction value. These investments are accounted for at fair value through the Statement of Financial Activities.

### 8. Debtors

	2024	2023
	£	£
Accrued income	-	235,978
Accrued investment income	794,571	159,656
Prepayments	12,216	3,855
Other debtors	12,740	4,400
	<u>819,527</u>	<u>403,889</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 9. Creditors: amounts falling due within one year

	2024	2023
	£	£
Accrued audit, tax and accounting fees	15,000	12,300
Accrued investment management fees	86,918	37,588
Accrued charitable donations	-	60,000
Other creditors	77,637	4,659
	<u>179,555</u>	<u>114,547</u>

There are no liabilities falling due after more than one year.

### 10. Analysis of charitable funds

	Investments	Tangible assets	Net current assets	Total 2024	Total 2023
	£	£	£	£	£
Expendable endowment fund	120,367,628	-	40,441,835	160,809,463	58,312,616
Unrestricted income fund	-	9,067	1,676,454	1,685,521	1,406,149
	<u>120,367,628</u>	<u>9,067</u>	<u>42,118,289</u>	<u>162,494,984</u>	<u>59,718,765</u>

The unrestricted funds of the Foundation are made up as follows at 31 December 2024:

	2024	2023
	£	£
General funds	847,927	664,349
Designated funds Signatur Programme	584,351	460,000
Designated funds LACT Programme	253,243	281,800
	<u>1,685,521</u>	<u>1,406,149</u>

The designated funds were designated for the paying of specific grants expected to materialise within the first three months of the next financial period provided the projects fulfil their criteria to qualify, at the Trustees' complete discretion. As such the funds were designated but no liability was recognised with regards to these future payments.



## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 11. Financial instruments

	2024 £	2023 £
Financial assets measured at fair value through income or expenditure comprise investments	120,367,628	23,892,975
Financial assets measured at amortised cost comprise accrued income, other debtors, cash and cash equivalent	42,285,628	35,934,604
	<u>162,653,256</u>	<u>59,827,579</u>
 Financial liabilities measured at amortised cost comprise accruals and other creditors	 (179,555)	 (114,547)
 <i>Income, expense and net gains and losses, including changes in fair value.</i>		
Gains on financial assets measured at fair value through income or expenditure	1,948,229	2,291,791
Dividend income from financial assets measured at fair value through income or expenditure	722,579	458,044
Interest income on financial assets measured at fair value through income or expenditure	1,003,590	302,785
Interest income on financial assets measured at amortised cost	1,035,601	1,083,864
	<u>4,709,999</u>	<u>4,136,484</u>

#### Financial risk management

The Trustees consider the following risk factors for each proposed investment as well as the impact of a particular investment selection on the overall portfolio risk return profile:

- a) market risk: equity - beta of investment to equity markets, volatility, drawdown risk
- b) market risk: rates - sensitivity of investment to moves in interest rates
- c) market risk: credit - sensitivity of investment to moves in credit spreads
- d) capital risk: counterparty risk, default risk or risk of total investment failure
- e) concentration risk: overexposure to particular sector or investment type
- f) currency risk: with respect to unintended currency exposures
- g) liquidity risk: considered both in normal and stressed market circumstances

In order to manage the risk profile of the portfolio and its constituent parts, the Trustees have developed a heat map that is monitored on an ongoing basis.

Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2024

### 12. Operating lease commitments

During the period, the Foundation entered into a lease for office space on 1 September 2024 for 24 months. At 31 December 2024, the Foundation had future minimum rentals under non-cancellable operating leases as set out below:

	2024	2023
	£	£
<b>Minimum rentals payable</b>		
Within one year	92,352	23,760
Between two and five years	62,400	-
	<u>154,752</u>	<u>23,760</u>

### 13. Related party transactions

In the financial year, one of the Trustees paid fees of £6,645 (2023: £13,720) for office administration, professional support, travel and IT costs, for the benefit of the Foundation. The fees will not be reimbursed by the Foundation. Accordingly, this amount has been included within note 2.

### 14. Post balance sheet event

A trust, settled by the Settlor, was terminated on 3 April 2025 and the entirety of the trust fund was appointed to the Foundation. The Foundation received funds from the trust of \$55,894,709 on 3 April 2025.

**THE KARLSSON JATIVA CHARITABLE FOUNDATION**

England & Wales - Charity number 1168787

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# Accounts

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# **The Karlsson Játiva Charitable Foundation**

Registered Charity No. 1168787

## **Report and Accounts**

For the year ended 31 December 2023



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## Reference and administrative information

### Trustees

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson (retired 9 June 2023)

### Address

2<sup>nd</sup> floor  
78-79 Pall Mall  
London  
SW1Y 5ES

### Constitution

Registered Charity number 1168787  
Governed by a Trust Deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016

### Auditors

Rawlinson & Hunter Audit LLP  
Eighth Floor, 6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

### Solicitors

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### Investment Managers

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU



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## Reference and administrative information (continued)

### **Investment Managers (continued)**

Brown Advisory Limited  
18 Hanover Square  
London W1S 1JY



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For the year ended 31 December 2023

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## Trustees' annual report

For the year ended 31 December 2023

The Trustees present their report and audited financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 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 Foundation's governing document, a trust deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016 ("the Trust Deed"), the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

### Background and Objects

The Foundation was formed on 5 July 2016 by an initial settlement from Mr Erland Karlsson (the "Settlor") and was registered by the Charity Commission (registered charity number 1168787) on 16 August 2016.

The Foundation has the power to advance any purpose which is charitable under the laws of England and Wales. The Foundation is at present operating as a grant giving trust in furtherance of its principal objects as set out in the Trust Deed, namely: "the advancement of the art of music and the education of the public in the same in the United Kingdom, Sweden and other countries across Europe; and the relief of poverty, distress and hardship and the promotion of education, health and welfare or any other exclusively charitable object in Latin America".

### Structure, Governance and Management

The governing document of the Foundation is its Trust Deed, which provides that the power of appointing new Trustees is vested in the Founder where the Founder's powers are held by the Settlor until such time as another person or persons are appointed pursuant to the power contained in the Trust Deed. Trustees are selected for the contribution to the balance of experience they bring. Any new Trustee will be given induction and training providing him or her with a summary of how the Foundation operates and copies of relevant documentation. He or she will also be directed to the resources available on the Charity Commission website for relevant guidelines. The Trustees who held office during the financial period and up to the date of this report were:

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson (retired 9 June 2023)

All the Trustees give their time freely and no trustee remuneration was paid during the year.

The Trustees may delegate from time to time such of their powers of management and administration to one or more of their number or other persons as appropriate. The Trustees have adopted a Grant Making Policy, details of which are given on pages 14 and 15. Grants are approved by the Trustees in a Trustees meeting or by written resolution. The Trustees have, in accordance with the Grant Making Policy, delegated authority to two of their number to take grant-funding decisions within specified limits between Trustees meetings. All grants made under this delegated authority are reported to and considered by the Trustees at the following Trustees meeting.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

To assist the Trustees in considering proposals and identifying appropriate partners in Latin America, the Trustees established a Latin American Advisory Board ("LAAB") for the Foundation. The LAAB currently consists of a number of the Foundation's Trustees and external individuals who have served as Trustees of the Latin American Children's Trust ("LACT"), a registered charity to which the Foundation has previously made grants, but which has recently been wound up. The LAAB is constituted solely as an advisory body to the Trustees, it has no delegated authority to take any decisions on behalf of the Trustees and its role is limited to advice and recommendations to the Trustees.

To assist the Trustees in identifying appropriate partners to work with in the music sector and in considering proposals, the Trustees established a Signatur Advisory Board (the 'SAB') for the Foundation. The SAB consists of members appointed based upon their expertise and experience of charitable projects in the music sector. The SAB is solely an advisory body, and its role is limited to advice and recommendations to the Trustees. The SAB does not operate under any delegated authority from the Trustees and all decisions regarding grants remain solely with the Trustees.

The Trustees have by board resolution appointed a Finance Committee consisting of members with financial and professional services background to assist them in maintaining an investment programme consistent with the Investment Policy Statement (see page 16). The specific remit of the Finance Committee is to develop the investment strategy, review potential investment managers and monitor ongoing performance. The Finance Committee assisted by the Foundation's Finance Manager is responsible for day-to-day monitoring of and interaction with the investment managers and reviewing the overall portfolio performance and it reports back to the Trustees on a regular basis.

The delegation of investment management authority to Goldman Sachs International of the overall investment portfolio that had been in place since September 2017 was terminated in December 2023. Changes to the Goldman Sachs International mandate and the award of a separate investment mandate to Brown Advisory are noted further in the Financial Review section on page 15.

The Foundation had three employees during the year ended 31 December 2023 and the average headcount was two (2022: two).

### Principal Risks and Uncertainties

The Trustees have examined the major risks faced by the Foundation, including administrative, investment related, regulatory, conflict of interest, financial controls and other issues. Systems are in place to regularly monitor and control these risks and to mitigate any impact they may have on the Foundation.

The main market risk to the Foundation comes from fixed asset investments. The risk lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes. Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.

The Trustees consider the following risk factors for each proposed investment as well as the impact of a particular investment selection on the overall portfolio risk return profile:

- a) market risk: equity - beta of investment to equity markets, volatility, drawdown risk
- b) market risk: rates - sensitivity of investment to moves in interest rates
- c) market risk: credit - sensitivity of investment to moves in credit spreads



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## Trustees' annual report (continued)

For the year ended 31 December 2023

- d) capital risk: counterparty risk, default risk or risk of total investment failure
- e) concentration risk: overexposure to particular sector or investment type
- f) currency risk: with respect to unintended currency exposures
- g) liquidity risk: considered both in normal and stressed market circumstances

In order to manage the risk profile of the portfolio and its constituent parts, the Trustees have developed a heat map that is monitored on an ongoing basis.

Financial markets face several uncertainties in particular with respect to the path of reduction of global interest rates and various sources of geo-political risks including their impact on global supply chains. The Trustees anticipate an elevated level of volatility in light of these uncertain investment conditions, however, believe that the adopted Investment Policy serves to mitigate these risks.

### Public Benefit

The Trustees have had due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant. Each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public in general or a sufficient section of the public, and any private benefit that may accrue to any person or entity as a result of a grant is incidental. The Trustees will consider whether any harm or detriment could arise from any grant, and not make the grant if any such harm or detriment could outweigh the public benefit. They consider that the detail in this report about the Foundation's grants and its purposes sufficiently identifies the benefit and beneficiaries of the Foundation's grants, in such a way as to demonstrate the Foundation's benefit to the wider public.

### Objectives

The Foundation's Objects refer expressly to (a) music in the United Kingdom, Sweden and other countries across Europe; and (b) poverty, health and education in Latin America. The Trustees are not obliged to focus their grant-making on these areas but have agreed that as a matter of policy they wish to predominantly do so at present.

### Signatur Programme

With respect to Object (a) referred to in the previous paragraph, the Trustees have adopted the following Mission Statement:

*"Together with likeminded partners we aim to create a force for an improved society with the help of the unifying power of music. We want to open doors to the world of music for everyone, focusing on opportunities to those who might not otherwise have the chance to actively engage in, or have access to high quality music and music education. We seek to act as a counterbalance to the trends in society towards superficiality and intolerance, building on the innate potential of music and musicianship to unite people across ages and cultures."*

The Foundation seeks to support organisations and projects that aim, directly or indirectly, to provide access to broad qualitative music education and/or improve the opportunities for the public to enjoy high quality music. Through this work it seeks to create conditions for cultural integration through music. In addition to music, the Foundation can also support other closely related forms of performing arts such as dance, ballet or theatre.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

In the United Kingdom, the Foundation prioritises grant making for exclusively charitable purposes to organisations that align at their core with our Mission Statement, i.e., those that have likeminded aims embedded in their "DNA". These may be music schools, conservatories, orchestras, choirs or other music establishments, as well as other registered charities operating in the field with similar objects. Grants will generally not be made to organisations or activities that do not align at their core with our Mission Statement.

In Sweden, the Foundation has supported the establishment of a charitable foundation with charitable objects which align with those of the Foundation as set out further under 'Activities, Achievements and Future Plans' below.

The Foundation identifies all the projects it supports in the field of music, whether in the UK or Sweden, as Signatur Programme projects using the Signatur logo. The intellectual property rights in the logo are registered to the Foundation and licensed to Signatur Foundation Sweden:

**Signatur**

*Signatur is the umbrella name  
for KJCF's work for the  
advancement of the art of music*

### LACT Programme

With respect to Object (b) the Trustees focus grant making to UK-registered charities that support work in Latin America, in particular in the countries of Ecuador, Colombia, Bolivia, Peru and Venezuela. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, and are in accordance with the objectives of the Foundation. There is an emphasis on projects that are likely to have a long-lasting impact in terms of improving circumstances for children and their families and include a large element of local community involvement. Priority is given to projects that have the potential to scale their impact through advocacy or otherwise.

The specific objectives the Trustees set for this financial year were to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its aims.

The Foundation identifies all the projects it supports in the field of poverty, health and education in Latin America as LACT Programme projects using its logo:





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## Trustees' annual report (continued)

For the year ended 31 December 2023

### Activities, Achievements and Future Plans

## Signatur

### Signatur Programme UK

Fifteen grants (totalling £599,945) were made in the field of music under the umbrella of the Signatur Programme in the United Kingdom during the year:

**Aurora Orchestra:** Aurora's 'Music for All' is a transformative music education programme delivered in schools and through live performances. The next phase of the programme is centred on Aurora Orchestra Learning an arts-based learning programme for EYFS, KS1 and SEND settings, which enables children to learn through music across all areas of the curriculum at school. Aurora Classroom provides flexible and inspiring practical resources for teachers to deliver quality music education in the classroom, with support for non-music specialists. To supplement the Aurora Classroom resource programme and deepen its impact in priority areas, Aurora offers in-person activities including CPD sessions for teachers and live instrumental performances.

**Awards for Young Musicians (AYM):** In 2023, the Foundation agreed to support AYM's 'Furthering Talent Connect' programme, a new phase and evolution of the Furthering Talent programme. AYM work with young people in 20 regions across England offering a wide-ranging programme of individually tailored music focused support for at least two years. This includes instrumental tuition, individual learning plans, musical progression bursaries, termly get togethers, mentoring, opportunities to participate in a young people's programme panel, and 1-1 support in their musical journey from an AYM regional representative for the programme.

**Diocese of Westminster:** Caritas Bakhita House is a refuge for 12 women and an ongoing support service for over 170 former guests who have moved on with their lives. Caritas Bakhita House offers music therapy as a creative, non-verbal, and trauma-informed means of dealing with very difficult, complex feelings. A skilled and experienced Music Therapist facilitates weekly therapeutic sessions in small groups and one-to-one sessions for guests at Caritas Bakhita House and a set of five one-to-one sessions for women who have moved on. The group is open to all, giving all guests the opportunity to engage in music therapy.

**Liverpool FC Foundation:** The Foundation supports 'Sound Minds', a programme that empowers young people to explore and improve the mental health and wellbeing of targeted groups of young people, many from disadvantaged communities, through the powerful combination of music and football. The programme fuses mental health workshops, physical activity, and music to develop the participants coping skills and resilience and aims to use music therapy to improve mood and cognitive function.

**London Music Fund:** The Foundation has continued to support London Music Fund - an independent music education charity with the Mayor of London as patron - and their partnership programme initiative with two grants. The charity funds partnership projects with schools, venues, music services and professional arts organisations and aims to transform communities by bringing music education to children from low-income families and underrepresented backgrounds. The projects cover every London borough and are delivered in partnership with 30 London Music Hubs. In 2023, London Music Fund continued to support ambitious music initiatives across diverse musical styles and genres, giving thousands of young Londoners, particularly those from low-income families, the opportunity to learn musical instruments to the highest level.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

**Music Masters:** The Foundation supports the charity Music Masters and their national music teacher training programme 'Musicians of Change PGCEi', a year-long programme for musicians committed to transforming music education. Delivered in partnership with Birmingham City University's (BCU) College of Education and Social Work (a global centre of teaching and learning), participants gain an internationally recognised level 7 qualification and teaching certificate: PGCEi in Group Instrument Learning. The programme aims to improve the quality of music teaching to primary school children throughout the UK and develop a national network of like-minded educators and world-leading instrumental and music education experts.

**Music of Life:** Music of Life's mission is to build and strengthen the life skills, well-being and confidence of children and young people with multiple disabilities and complex needs through music-making. The Foundation supports Music of Life's 'Choirs in Special Needs Schools' programme which delivers weekly choral training in special needs schools in Cambridge, Warwickshire and Birmingham catering for children with complex mental, physical, learning, and emotional needs, mainly from very disadvantaged backgrounds. The young people involved in the special needs schools programme come together with their peers from local mainstream schools to perform in concerts and events. In addition, the charity offers a teacher training scheme and staff support sessions to upskill staff in the schools they work in to enable them to integrate singing into their daily classroom activities.

**Noah's Ark Children's Hospice:** The Foundation continued to support Noah's Ark Children's Hospice in support of their music therapy provision for end-of-life care of children and their families and in support of their research project studying the effect of music therapy for babies with traumatic brain injury and their parents/guardians in collaboration with University College Hospital London. The focus of the research from 2023 onwards is to prove more definitively that music therapy improves outcome for infants and their families. Noah's Ark is leading the way by providing an accessible means for children and families to access children's hospice services through the provision of music therapy at Barnet Hospital, UCLH Great Ormond Street Hospital).

**ORA Singers:** The Foundation continued to support ORA Singers 'Young Composers' course with two grants. The Young Composers Programme is designed to provide a comprehensive overview of the elements surrounding choral composition, whilst also supplying specialist compositional knowledge to fast-track students' abilities as composers. The programme benefits 50 students, aged 11-18, from state schools across the country and is free to access. Professional composers provide 1-1 mentoring with workshop leaders and industry experts also support the delivery of the programme. Young composers and apprentice composers are supported to develop their skills and areas of interest as they write new music that showcases their acquired skills.

**Royal Academy of Music:** The Foundation continued to support the Royal Academy's Junior Academy Musical Theatre course. Following on from successful pilot activities in 2021/22, this new initiative has been designed to provide high-quality musical theatre training to a diverse group of young people, including those from under-represented and disadvantaged backgrounds.

**Royal Birmingham Conservatoire:** In 2023, the Foundation supported the first year of Royal Birmingham Conservatoire's LEAP programme which aims to increase and improve access to socially driven music activities for young people and families from disadvantaged backgrounds across Birmingham and the West Midlands. The LEAP programme is delivered in partnership with a range of organisations, charities, and education institutions committed to engaging young people and families from diverse and disadvantaged backgrounds across the UK. The programme has the ambition to educate and train the next generation of socially conscious musicians.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

**Southbank Centre:** The Foundation continued to support the Southbank Centre's youth singing programme for children and young people. The programme is a free initiative that enables local young people aged 11-15 years to access high-quality music provision and includes a secondary school programme in partnership with Lambeth Music Service and two high quality youth choirs open to young people across London.

**The Music Works:** The Foundation continued to support 'The Drop' in Gloucester which is an open access programme giving young people aged 10-18 years and an older group aged 18-25 years the opportunity to get started and progress skills in a whole range of music activities including learning an instrument, forming a band, singing, rapping, beat-boxing, music technology, DJing, performing, broadcasting, recording and putting on events. To support the young people's progression, The programme encompasses live performance opportunities and showcases. The programme meets the needs of local young people, catering for young people from diverse backgrounds including many with special educational needs and disabilities.

For more information on the work of the Foundation in the field of music in the United Kingdom, please visit [www.signatur.org.uk](http://www.signatur.org.uk)

### Signatur Programme Sweden

Three grants (totalling £566,723) were made in the field of music under the umbrella of the Signatur Programme in Sweden during the year, including a larger grant of £502,485 to Signatur Foundation Sweden which in turn has awarded ten grants detailed below.

In order to reach beneficiaries in Sweden and the Nordic region most effectively, the Trustees concluded this was best achieved by providing the funding to a Swedish charity, that in turn would be able to distribute grants and implement projects locally. In April 2018, "Signatur – Insamlingsstiftelse för musikfrämjande" (transl. "Signatur – Fundraising Foundation for Advancement of Music", hereinafter referred to as "Signatur Foundation Sweden") was entered into the foundation register of the Stockholm County Administrative Board. Signatur Foundation Sweden has an independent board of directors responsible for its strategy and governance and the Foundation has provided grant funding to the charity to be applied for its operations in carrying out projects which are exclusively charitable under the laws of England and Wales.

**Signatur Foundation Sweden** has the main public benefit purpose of promoting, solely or exclusively, a vibrant Swedish and Nordic music life by providing access to broad qualitative music education and improving the opportunities for the public to enjoy high quality music. In particular, it intends to promote efforts to broaden the base for Swedish and Nordic music life and to further create the conditions for cultural integration through music. In addition to music, Signatur Foundation Sweden can also support other closely related forms of performing arts such as dance, ballet or theater. The object costs of Signatur Foundation Sweden were around £480,000 in 2023 funding ten grants (2022: around £445,000 funding thirteen grants):

**ALMA:** Signatur Foundation Sweden has supported the production of "Gränslandet – a Symphonic Festival" since 2018 and contributed to the 2023 festival edition (awarded in 2022). With a strong commitment to taking classical music to new places and reaching a wider audience, pianist David Huang and conductor Christian Karlsen founded "Gränslandet – a Symphonic Festival" at the Trädgården venue in Stockholm. In collaboration with some of the best musicians and performers of our time, they have created unique musical experiences for people of all ages, regardless of background and previous musical experience. With pop culture references and contemporary art expressions in a setting where younger audiences feel at home, they show visitors that classical music is for everyone.

**Den Andra Operan ('DAO')**: In 2023, Signatur Foundation Sweden supported "Unboxing Female Opera", an innovative project that aims to create a new format for opera and its audience. Through a unique combination of concerts, lectures and audience meetings, DAO invites, surprises and introduces the



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## Trustees' annual report (continued)

For the year ended 31 December 2023

audience to an opera repertoire that is rarely performed. Through selected venues and partners, the project reaches new audiences and offers experiences that suit both those with opera experience and those with budding curiosity. The project is based on in-depth music research and also offers an insight into the opera process through workshops and seminars meetings with musicians and lecturers.

**Dream Orchestra:** Signatur Foundation Sweden continued to support the "Storytelling in Dream Orchestra" musical programme organised around the symphony orchestra where children and young people meet and learn how to create music together. The project focuses on 14-22 year olds and involves the creation of stories and a specific artistic repertoire based on traditional music from Sweden and the world with the guidance of specialists in traditional music, storytelling, cultural heritage, acting and performance.

**Drottningholm Palace Theatre:** the theatre was founded in 1766 and is a UNESCO World Heritage Site. Signatur Foundation Sweden supported the "Hum, hum, Hume" project which invited primary school children, particularly from disadvantaged areas to an in-depth cultural experience with history and music in a unique period setting. The project offered a journey back in time to the 18th century with period costumes and instruments, coupled with the universal story themes of life, music and the desire for adventure.

**Fryshuset:** Signatur Foundation Sweden continued its support of the "Empower Production" programme which aims to enable more young girls and non-binary people from socio-economically disadvantaged areas to create and produce music and gain access to a career in music production. The project is implemented in Stockholm, Gothenburg and Helsingborg.

**Järna Festival Academy:** During 2023, Signatur Foundation Sweden supported the "Running with Beethoven" programme which combines culture and public health. A symphony orchestra of international music students plays Beethoven's Fifth Symphony during a 5 km race for runners of all ages. The musicians perform from the concert hall and speakers along the neighbouring running track simultaneously broadcast the music live.

**Linnaeus University:** Signatur Foundation Sweden continued its support for the "Make Music Matter!" programme aimed at primary and secondary school students and which offers quality music education and development through teacher-led lessons and digital services. The programme has developed a new component in collaboration with the Tim Bergling Foundation called "Stories #ForABetterDay" with a focus on music and mental well-being in schools. In 2023, support was extended towards activities at major events, such as Järvaveckan, the Stockholm Cultural Festival and Gothenburg's 400th anniversary celebrations.

**Lund Cathedral:** The 900th anniversary of the inauguration of the altar in Lund Cathedral in 2023 was celebrated throughout the year with various events. Signatur Foundation Sweden participated in the celebrations by supporting the commissioning of new church music under the project name "Jubilee Oratorio Lund Cathedral 2023". The work was a joint collaboration between the composer, musicians, cathedral choir and congregation and both the process and the performance were documented/filmed for digital sharing.

**Musethica Sweden:** In 2023, Signatur Foundation Sweden supported the "Musethica" programme which aims to spread high-quality classical music throughout society by performing live chamber music concerts for marginalised groups and groups at risk of exclusion, for example in settings such as hospitals, psychiatric institutions, prisons, integration centres, nursing homes and activity centres for people with disabilities.

**Royal Academy of Music (UTOM):** Signatur Foundation Sweden continued to support the Unga Tankar om Musik (UTOM's) music innovation programme with the project "Musical role models of the future" where four newly graduated musicians visit cultural school orchestras around Skåne and Kronoberg.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

Through these meetings, the young musicians hope to inspire the students to a future professional career in music. During the autumn tour of 2023, a total of 19 orchestras in 12 cultural schools were involved.

**Scenit:** Signatur Foundation Sweden supported the LEKQUIEM project in Botkyrka where over 100 children of primary and secondary school age took part in a dance concert set to Mozart's Requiem. 4 professional dancers, 60 young choral singers and a symphony orchestra worked with the children to create a powerful artistic production for all ages. The idea of artist/director Charlotte Engelke and conductor Christian Karlsen was to allow children to meet and express themselves to symphonic music, perhaps for the first time. Over a 5 week period, dancers and children came together to create one big dance concert. The focus was also to let the children's own thoughts on life and death be told to Mozart's famous Requiem from 1791.

For more information on the work of Signatur Foundation Sweden, please visit [www.signatur.se](http://www.signatur.se)

Ordinarily, grants for Swedish music charities are funded by Signatur Foundation Sweden. However, the Foundation made two grants directly to Swedish non-profit organisations during the financial year:

**RBU Skåne:** "Adapted music sessions for children with disabilities" is a programme designed to provide music productions for children with special needs. Existing productions are reworked to meet the needs of the children and the musicians will be coached by a music therapist to adapt their performance. The process will be documented in a training manual that can be used by producers and musicians throughout the country.

**Royal Swedish Opera** runs a digital programme entitled "The Magical House" which allows primary school children and their teachers to discover behind the scenes at the Opera House. The programmes are published monthly, accompanied by tailor-made teaching materials, on Opera Play, a free digital streaming service, to be shown on large screens in classrooms.



### LACT Programme

In prior financial years, grants in the field of poverty, health and education in Latin America were extended to the Latin American Children's Trust ('LACT'), a charity registered in England and Wales, whose charitable objects align with one of the Foundation's. LACT supported charitable projects in the Andean region since 2004 and had long standing relationships with key charitable organisations operating in the region.

The legal structure of how the LACT programme is delivered changed on 1 April 2023. The Latin American Children's Trust was subsequently dissolved, and the programme continues to be delivered without change of strategic direction by the Foundation (its main funder). The Trustees did not make any grants to LACT during this financial year. However, prior to dissolution LACT used its remaining funds, substantially originating from funding in prior year from the Foundation, to provide ten grants during the financial period to the following partners:

**CAFOD:** "The Andes Programme". LACT has been supporting CAFOD's work to improve the lives of some of the most marginalised families, children and communities affected by poverty, violence, environmental degradation and conflict in the Andean countries since 2005. The current phase continues



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## Trustees' annual report (continued)

For the year ended 31 December 2023

to support vulnerable urban, rural and indigenous communities in Bolivia, Colombia and Peru, protecting the rights of children, communities and the environment, strengthening resilience to impacts from climate change and promoting more harmonious relationships with each other and the environment.

**Children Change Colombia:** “Reducing conflict-related sexual violence and commercial sexual exploitation against children and young people in Colombia”. LACT has been supporting this programme since 2018 which aims to strengthen the capacities of children and young people to overcome the trauma they suffer as a result of their experiences and to help them understand how to protect themselves from future violence. The programme also works with adult community members and public officials to help them identify and prevent sexual violence and exploitation and to create protective environments for children.

**Children Change Colombia:** “Youth reintegration into society: a community-based, narrative approach towards mental health”. LACT began supporting this initiative in 2022 which targets children and young people formerly associated with armed groups in Colombia and provides psychosocial support and life skills-building to help them reintegrate society and reduce the risk of returning to patterns of violence, drug addiction and crime.

**Plan International UK:** “Strengthening feminist leadership in the Bolivian Highlands”. LACT began supporting this initiative in 2021 which aims to contribute to the social and economic empowerment of indigenous adolescent girls and young women living in the Bolivian Highlands. The project puts resources into the hands of young women through seed funding and equips girls with feminist leadership and business skills to lead conversations and generate sustainable economic independence. It also engages local stakeholders, policymakers and adolescent boys and young men in solidifying progressive attitudes towards gender equality.

**Save the Children:** “Safer Childhoods for a brighter future in Colombia”. LACT has been supporting Save the Children’s protection work in Colombia since 2006. The current programme aims to contribute to improving the protection and welfare situation of children, adolescents and their families in communities affected by violence and armed conflict in Tumaco, Colombia. It will equip children and adolescents with improved knowledge and capacities to develop prevention practices towards recruitment in armed conflict contexts and sexual violence. It will also enable parents, caregivers and community members to establish effective mechanisms for active prevention of protection risks for children and adolescents.

**Sense International:** “Improving inclusive education for children with deafblindness and multiple disabilities in Peru”. LACT has been supporting Sense International’s work to strengthen inclusive education in underserved regions of Peru since 2015. The programme focusses on building the skills of professionals in special education settings and pioneering this approach in mainstream settings too. Sense International Peru is an engaged partner with the country’s Ministry of Education and regional authorities to break down the barriers to education for children with deafblindness and multiple disabilities. The team also pilots best practice approaches in advocacy and inclusive education within Ecuador to build alliances with the state and civil society.

**World Vision:** “Improving nutrition and protection for pregnant, lactating and caretaker women and children under 5 in Venezuela”. LACT began supporting this project in 2021 in the face of Venezuela’s complex political, economic and social crisis. The project aims to improve maternal and child development by providing nutrition and health practices supporting the most vulnerable women, girls and boys in Venezuela. It will improve access to psychosocial support to women and girls who have suffered any form of violence and provide health centres with basic medical and non-medical supplies.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

The Foundation made four grants (totalling £340,485) directly to the following LACT Programme partners:

**Lumos:** “Transforming systems of care and protection in Colombia”. This work has been part of the LACT Programme since 2020 and the next phase aims to achieve systemic change by influencing public policies underpinning care reform. Lumos partners with Michin Fundación to strengthen family and community-based services to prevent children from being placed in institutions, and to support the safe reintegration of children with their families. Lumos also works with the Colombian government through the Colombian Family Welfare Institution (ICBF) to develop a strategy of family reintegration and scaling back residential care.

**Plan International UK:** “Promoting the health and rights of young people in Manabí, Ecuador”. Plan’s work to improve adolescent sexual health education and rights in Ecuador has been part of the LACT Programme since 2016. This next phase of the programme aims to reduce early and forced marriages, unwanted and unintended adolescent pregnancy and gender-based violence in fourteen rural communities in the province of Manabí. The project’s strategy centres around the creation of youth clubs to bring together young women and men to learn about their sexual and reproductive health and rights, address harmful practices and other forms of gender-based violence, share their experiences and mobilise to advocate for their rights.

**Save the Children:** Community development and management of WASH social services in Zulia State, Venezuela. Save the Children have been working in Venezuela since 2019. The community partnership programme operates in five target communities in Zulia state and focusses on improving access to WASH (water, hygiene and sanitation) services, livelihood opportunities for women, children and teenagers, and strengthening their skills and knowledge in the defence and promotion of social and economic rights. The Foundation’s grant has unlocked a much larger financial contribution from the European Union in a match funding opportunity.

**Teach for All Network:** Providing support to Enseña por Colombia, Enseña Ecuador, Enseña por Bolivia and the Teach for All global organisation’s partner support. The LACT Programme is providing support to Teach for All’s mission to expand educational opportunities for children in the LatAm region. The core programme includes recruiting and supporting young local graduates who will spend at least two years teaching in marginalised communities. In addition to local knowledge sharing, the contribution to public policy discussions helps the development of effective teaching and learning over the wider region’s education ecosystem.

### Research

In addition, the Foundation made one direct grant (totalling £99,884) to **Royal United Services Institute for Defence and Security Studies (‘RUSI’)** for a research initiative relevant to the Foundation’s Latin American objective.

Grants are made and monitored in accordance with the Grant Making Policy and other procedures adopted by the Trustees. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, with emphasis on projects that are likely to have a long-lasting impact and that are in accordance with the objectives of the Foundation. The Trustees may attach conditions to grants made by them. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the Trustees that the funds will be applied for the purposes for which they were given. Onward grants made by Signatur Foundation Sweden are made in accordance with its grant making procedures which contain similar provisions to those of the Foundation.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

The Trustees will identify the project to be funded by the grant or identify that the grant is expendable for the grantee's general charitable purposes. They will also require acknowledgement of the grant and seek evidence from grantee organisations that they have in place satisfactory safeguarding policies consistent with the Foundation's own Safeguarding Policy.

### Financial Review

Incoming resources of the Foundation comprised donations, investment and interest income. The Foundation received substantial contributions in the form of expendable endowment in 2017, 2018 and 2023. The grants provide that the Trustees shall apply the income derived from the expendable endowment to such purposes within its charitable objects as they may determine and may, at their discretion, decide that all or any part of it may be expended on such purposes. However, despite the fact that the whole of the expendable endowment may be expended by the Trustees, it was the original donor's wish that it be invested to produce income on a long-term basis for charitable expenditure for the public benefit.

The Foundation's resources and capabilities have evolved since its formation including recruitment of a Finance Manager. In the financial year the Foundation received a significant grant close to doubling its investable assets. This evolution has enabled and necessitated a broader rethink of the investment strategy of the Foundation.

Following the formation of the Foundation, the Trustees appointed a single investment manager to manage the expendable endowment, Goldman Sachs International. Going forward the Trustees consider it prudent to engage a broader set of investment managers and funds in order to diversify operational and market risks and also to enable a more efficient control of investment management expenses related to specific asset class mandates. As a first step in this process, at year-end, the Goldman Sachs mandate was restructured into separate equity and fixed income mandates and an investment mandate was awarded (but not yet funded) to Brown Advisory. Further awards of investment mandates and commitments to investment funds are anticipated during 2024.

The Trustees have reviewed the performance of Goldman Sachs International with respect to the mandate awarded in September 2017 and terminated in December 2023 and noted it achieved a return of 10.0% in 2023 vs the agreed benchmark of 11.8% (-6.2% in 2022 vs -8.2%). Inception to date the corresponding numbers were 5.9% and 6.6% (annualised). The agreed benchmark reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income and as such is aspirational as it does not account for fees or costs. The assets were, at the point of termination of the mandate, invested in global equity (63%) and fixed income markets (17%) as well as alternative and other investments (20%).

Total income for the year totalled £31,435,102 (2022: £555,922) and total expenditure for the year totalled £1,925,698 (2022: £1,150,612) of which £1,765,467 (2022: £989,008) was expenditure on charitable activities.

The Foundation's funds increased to £59,718,765 as at 31 December 2023 from £29,414,607 as at 31 December 2022, which comprises the net income before gains and losses of £29,509,404 (2022: net loss of £594,690) together with the net gain on investments of £2,291,792 (2022: net loss of £2,321,786) and foreign exchange loss of £1,497,038 (2022: gain of £3,932).



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## Trustees' annual report (continued)

For the year ended 31 December 2023

### Reserves Policy

In adopting its Reserves Policy, the Trustees have considered the level of unrestricted income likely to arise from the expendable endowment and their power to convert investments held in the expendable endowment fund, if necessary, into income.

They have also considered their grant-making intentions and obligations and the impact on grantee organisations were any funding obligations not to be met. For specific grants expected to materialise in the immediate future (within the next three months), the Trustees may choose to designate a part of the unrestricted funds to cover those amounts as designated funds. They have reviewed the Foundation's operating costs and the risks to which the Foundation is exposed, particularly with regard to its investment portfolio.

Taking these factors into account, it is the Trustees' policy to retain, out of the Foundation's unrestricted income, £250,000 in reserves which is deemed sufficient for immediate outlays (other than those with respect to designated funds, if any).

As at 31 December 2023, the Foundation has unrestricted funds of £1,406,149 (2022: £718,824) and the designated funds were £741,800 (2022: £nil). Consequently, the reserves as at 31 December 2023 amounted to £664,349 (2022: £718,824).

### Investment Policy

The Investment Policy Statement was revised during the year to reflect the updated needs of the Foundation following the 2023 grant which effectively doubled the Foundation's resources.

The ultimate investment objective of the Foundation is to enable it to fund charitable projects in the UK and elsewhere, where the real funding value is maintained through time. Triangulating the current annual grant budget (£2m), size of expendable endowment (£58m) and anticipated investment income (£2m), it is appropriate for the Trustees to have a long-term investment horizon. This allows the Trustees to consider investments, such as private equity, with in excess of ten years duration. However, it is an ambition of the Trustees that over time the annual grant budget will increase in real terms, making it prudent for the majority of the portfolio to be managed to a shorter time horizon of five years.

The Trustees have adopted a long-term portfolio return objective of inflation + 3% (the "Investment Objective"), measured in equal proportions of US and UK inflation indicators and for reporting purposes expressed in GBP. The Trustees aim to achieve their Investment Objective by reviewing, selecting and ongoing evaluating a range of discretionary investment managers and investment funds in line with the determined asset allocation. The selection is conducted asset class by asset class.

The Trustees, assisted by the Finance Committee will determine the appropriate asset allocation from time to time depending on market circumstances and short, mid and long term needs with the ultimate objective of enhancing the Foundation's ability to fulfil its objects.

The Trustees are mindful of the fact that beneficiaries are located across many countries and the real value of grants from the Foundation will be subject to currency fluctuations. With the ultimate beneficiaries expected to be based in Sweden, the UK and in Latin America and considering the cost effectiveness, liquidity considerations and investment practicalities for investing in Swedish krona or various Latin American currencies, and in particular the long-term horizon of the Endowment Fund's investment portfolio, the Trustees consider it reasonable to maintain exposure to a diversified broad global currency mix without a detailed ambition to match currency exposure of the current set of beneficiary programmes. Individual mandates or investments are denominated and measured against a defined base currency (GBP, USD or EUR). The Trustees monitor the overall currency mix on an overall portfolio basis.



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## Trustees' annual report (continued)

For the year ended 31 December 2023

Up until December 2023 the portfolio performance of Goldman Sachs International was measured against an agreed benchmark reflecting 65% global equities as measured in GBP and 35% UK investment grade fixed income as per the former Investment Policy Statement.

As at the year end, all investments and money market funds are held in custody by Goldman Sachs International.

### Statement as to disclosure of information to Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Foundation's auditor is 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 auditor is aware of that information.

### Auditors

Rawlinson & Hunter Audit LLP offers itself for reappointment as auditor in accordance with the Charities Act 2011.

### For and on behalf of the Trustees

Erland Karlsson, Trustee ..24.. June. 2024



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## Trustees' responsibilities statement

For the year ended 31 December 2023

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019.

The law applicable to charities in England and Wales 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 Foundation at the end of the year and of its incoming resources and application of resources during that year. In preparing the financial statements, the Trustees should follow best practice and are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent auditor's report**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Opinion**

We have audited the financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement Cash Flows and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Foundation's affairs as at 31 December 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation 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 Foundation'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.



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## **Independent auditor's report (continued)**

**to the Trustees of The Karlsson Játiva Charitable Foundation**

### **Other information**

The other information comprises the information included in the Report and Accounts set out on pages 4 to 17 and the Trustees' responsibilities statement on page 18. The Trustees are responsible for the other information contained within the Trustees' annual report and financial statements.

Our opinion on the financial statements does not cover the other information and 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 the 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 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual 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 Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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## **Independent auditor's report (continued)**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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.

Our assessment of the susceptibility of the entity's financial statement to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and low volume of transactions within the Trust, there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals who comprise "management" and therefore, there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011, money laundering legislation, health and safety and employment law. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Trust has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Trust activities during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Trust for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.



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## Independent auditor's report (continued)

### to the Trustees of The Karlsson Játiva Charitable Foundation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 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 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 Foundation and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Rawlinson & Hunter Audit LLP*  
Rawlinson & Hunter Audit LLP, Statutory Auditor

London

Date: *24 June* 2024

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Statement of financial activities

For the year ended 31 December 2023

	Notes	Unrestricted funds £	Expendable endowment £	2023 Total funds £	2022 Total funds £
<b>Income</b>					
Donations	2	13,720	29,576,689	29,590,409	9,612
Investment income	3	760,829	-	760,829	539,301
Interest on cash and money market funds		1,083,864	-	1,083,864	7,009
<b>Total income</b>		<b>1,858,413</b>	<b>29,576,689</b>	<b>31,435,102</b>	<b>555,922</b>
<b>Expenditures</b>					
<i>Costs of raising funds:</i>					
Investment management fee		-	160,231	160,231	161,604
<i>Expenditures on charitable activities:</i>					
Signatur Programme	4	1,290,657	-	1,290,657	989,008
LACT Programme		368,038	-	368,038	-
Research		106,772	-	106,772	-
<b>Total expenditure</b>		<b>1,765,467</b>	<b>160,231</b>	<b>1,925,698</b>	<b>1,150,612</b>
<b>Net income/(loss) before gains and losses</b>		<b>92,946</b>	<b>29,416,458</b>	<b>29,509,404</b>	<b>(594,690)</b>
Net gains/(loss) on revaluation of investments	7	-	2,291,792	2,291,792	(2,321,786)
<b>Net income/(loss) for the year</b>		<b>92,946</b>	<b>31,708,250</b>	<b>31,801,196</b>	<b>(2,916,476)</b>
<b>Transfer between funds</b>		<b>600,000</b>	<b>(600,000)</b>	<b>-</b>	<b>-</b>
Foreign exchange (losses)/gains		(5,621)	(1,491,417)	(1,497,038)	3,932
<b>Net movement in funds</b>		<b>687,325</b>	<b>29,616,833</b>	<b>30,304,158</b>	<b>(2,912,544)</b>
<b>Fund balances brought forward</b>		<b>718,824</b>	<b>28,695,783</b>	<b>29,414,607</b>	<b>32,327,151</b>
<b>Fund balances carried forward</b>		<b>1,406,149</b>	<b>58,312,616</b>	<b>59,718,765</b>	<b>29,414,607</b>

All income and expenditure derive from continuing activities.

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

The notes 1 to 13 on pages 26 to 36 form an integral part of these financial statements.



## Statement of financial position

For the year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,878	-
Investments	7	<u>23,892,975</u>	<u>28,637,181</u>
		23,894,853	28,637,181
<b>Current assets</b>			
Debtors	8	403,889	34,089
Cash and money market funds		<u>35,534,570</u>	<u>806,044</u>
		35,938,459	840,133
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<u>(114,547)</u>	<u>(62,707)</u>
<b>Net current assets</b>			
		<u>35,823,912</u>	<u>777,426</u>
<b>Net assets</b>			
		<u>59,718,765</u>	<u>29,414,607</u>
Representing:			
<b>The funds of the charity</b>			
Expendable endowment		58,312,616	28,695,783
Unrestricted income fund		<u>1,406,149</u>	<u>718,824</u>
<b>Total charity funds</b>	10	<u>59,718,765</u>	<u>29,414,607</u>

The Financial Statements on pages 23 to 36 were approved and authorised for issue by the Trustees at the Trustees meeting on 24 June 2024 and were signed on behalf of the Trustees by:

Erland Karlsson, Trustee

The notes on pages 26 to 36 form an integral part of these financial statements.



## Statement of cash flows

For the year ended 31 December 2023

	2023 £	2022 £
<b><i>Cash flows from operating activities</i></b>		
Net movement in funds	30,304,158	(2,912,544)
<i>Adjustments for:</i>		
Interest and dividend income from investments	(760,829)	(539,301)
Interest from cash and money market funds	(1,083,864)	(7,009)
(Gains)/losses on investments	(2,291,792)	2,321,786
Foreign exchange losses/(gains)	1,497,038	(3,932)
Increase in debtors	(369,800)	(25,132)
Increase in creditors	51,840	5,950
<b><i>Cash generated/used in operating activities</i></b>	<u>27,346,752</u>	<u>(1,160,182)</u>
<b><i>Cash flows from investing activities</i></b>		
Interest and dividend income from investments	760,829	539,301
Interest from cash and money market funds	1,083,864	7,009
Purchase of tangible fixed assets	(1,878)	-
Purchase of investments	(33,323,144)	(1,078,187)
Proceeds from sale of investments	40,359,142	1,910,134
<b><i>Cash generated from investing activities</i></b>	<u>8,878,812</u>	<u>1,378,257</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	36,225,564	218,075
<b><i>Cash and cash equivalent at the beginning of the year</i></b>	806,044	584,037
Change in cash and cash equivalent due to exchange rate movements	(1,497,038)	3,932
<b><i>Cash and cash equivalent at the end of the year</i></b>	<u>35,534,570</u>	<u>806,044</u>
<b><i>Analysis of cash and cash equivalents</i></b>		
Money market funds	29,933,319	646,493
Cash in brokerage accounts	5,398,679	79,800
Cash at bank	202,572	79,751
<b><i>Total cash and cash equivalents</i></b>	<u>35,534,570</u>	<u>806,044</u>

The notes on pages 26 to 36 form an integral part of these financial statements.



## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements have been prepared in accordance with the Charities Act 2011 and with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Karlsson Játiva Charitable Foundation (“the Foundation”) meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties surrounding the Foundation’s ability to continue as a going concern. As noted in the Trustees’ annual report, the target of the Foundation is to have reserves of £250,000. As at 31 December 2023 the unrestricted funds of the Foundation were £1,406,149 (2022: £718,824) and the designated funds were £741,800 (2022: £nil). Consequently, the reserves as at 31 December 2023 amounted to £664,349 (2022: £718,824) which is in excess of the target, and hence the Trustees consider the going basis to remain appropriate.

With respect to the next reporting period, the most significant area of uncertainty that affects the reserves of the Foundation is the performance of investment markets which will determine the carrying value of the investments held by the Foundation. The significance of fixed asset investments to the ongoing financial sustainability of the Foundation is considered in the financial review, principal risks and investment policy sections of the Trustees’ annual report.

#### b) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation is legally entitled to the income, it is probable that the income will be received, and the amount of income can be quantified with reasonable accuracy. Income from donations is included when any conditions for receipt have been met and there is reasonable assurance of receipt which is usually when the Foundation has control over the income. Investment income is included when receivable and the amount can be measured reliably which is usually upon notification to the Foundation from the investment manager.

#### c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including grants provided in support of the objects of the Foundation, overhead expenses and governance costs, are allocated or apportioned to applicable expenditure headings. Refer to note (d) below for more information on this attribution.



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## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### c) Expenditure recognition (continued)

Grants provided in support of the objects of the Foundation are payments made to institutions which are partner organisations of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Foundation.

Overhead expenses relate to the fees chargeable by the investment managers.

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to staff, rent, administration, statutory audit and legal fees.

#### d) Allocation and apportionment of expenses

Overhead expenses have been allocated to costs of raising funds.

Grants provided in support of the objects of the Foundation have been allocated to expenditure on charitable activities. Charitable activities comprise the projects operated by the partner organisations of the Foundation and are categorised by activity, as detailed in note 4.

Governance costs have been apportioned over the appropriate categories, as detailed in note 4, on the basis of the number of individual grant awards made in recognition that the administrative costs of assessing, awarding and monitoring each grant is broadly equivalent.

#### e) Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) Charitable activities

Costs of charitable activities include grants provided in support of the objects of the Foundation and governance costs. The allocation to activity of grants paid and the apportionment between activities of governance costs incurred is detailed in note 4.

#### g) Financial instruments

Investments are initially recognised at their transaction value and subsequently measured at fair value as at the Statement of Financial Position date using the closing quoted market price and closing NAV for funds. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Foundation does not acquire derivatives or other complex financial instruments.

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments such as high grade daily liquidity money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### h) Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### i) Provisions

Provisions for grant payments to partner organisations of the Foundation are made when the intention to make a grant has been communicated to the partner organisation but there is uncertainty about either the timing of the grant or the amount of grant payable. No provisions are made for future conditional instalments of multi-year grants where the payment of such instalment remains at the discretion of the Trustees.

#### j) Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income and retained earnings on a straight line basis over the lease term. The value of any rent free periods are amortised over the life of the lease.

#### k) Key judgements and estimates

In applying the Foundation's accounting policies, the Trustees may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the financial year.

The Trustees' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the financial year in which the estimate is revised.

The Trustees are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

### 2. Donations

Income from donations totalled £29,590,409 (2022: £9,612), of which £13,720 (2022: £9,612) was unrestricted and £29,576,689 (2022: £nil) was restricted as an expendable endowment.



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 3. Investment income

	2023	2022
	£	£
Listed investments:		
Dividends - Non UK equities	317,402	335,419
Interest - UK fixed interest securities	76,396	14,322
Interest - Non UK fixed interest securities	226,389	159,909
Dividends – Other Investments	140,642	29,651
	<u>760,829</u>	<u>539,301</u>

### 4. Analysis of expenditure on charitable activities

The Foundation undertook no direct charitable activities but awarded support grants to several institutions in furtherance of its charitable activities. The support grants are analysed below between the three categories of activity together with the allocation of governance costs incurred by the Foundation.

Charitable activity	Support Grants to Institutions £	Allocation of Governance Costs £	Total Expenditure 2023 £	Total Expenditure 2022 £
Signatur Programme	1,166,668	123,989	1,290,657	989,008
LACT Programme	340,485	27,553	368,038	-
Research	99,884	6,888	106,772	-
	<u>1,607,037</u>	<u>158,430</u>	<u>1,765,467</u>	<u>989,008</u>

	2023	2022
	£	£
<b>Support grants by country</b>		
<b>Signatur Programme</b>		
Sweden	566,723	479,353
United Kingdom	599,945	405,248
	<u>1,166,668</u>	<u>884,601</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 4. Analysis of expenditure on charitable activities (continued)

	2023	2022
	£	£
<b>Support grants by country</b>		
<b>LACT Programme</b>		
Bolivia	23,333	-
Colombia	88,334	-
Ecuador	116,539	-
Venezuela	112,279	-
	<u>340,485</u>	<u>-</u>

For the LACT Programme, breakdown by country relates to place of implementation; all grants were paid to charities registered in the United Kingdom.

	2023	2022
	£	£
<b>Support grants by country</b>		
<b>Research</b>		
United Kingdom	99,884	-
	<u>99,884</u>	<u>-</u>

	2023	2022
	£	£
<b>Support grants by institution</b>		
<b>Signatur Programme</b>		
Aurora Orchestra	50,000	50,000
Awards for Young Musicians	50,000	-
Birmingham Conservatoire	73,408	45,000
Diocese of Westminster	26,289	-
Liverpool FC Foundation	75,000	50,000
London Music Fund	82,000	52,000
Music Masters	50,000	50,000
Music of Life	20,000	20,000
Noah's Ark Children's Hospice	50,000	50,000
ORA Choir	20,000	-
RBU Skåne	24,629	-
Royal Academy of Music	25,000	10,000
Royal Swedish Opera	39,609	-
Signatur Foundation Sweden	502,485	479,353
Southbank Centre	50,000	50,000
The Music Works	28,248	28,248
	<u>1,166,668</u>	<u>884,601</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 4. Analysis of expenditure on charitable activities (continued)

<b>LACT Programme</b>		
Lumos	75,000	-
Plan International	93,206	-
Save the Children	112,279	-
Teach for All Network	60,000	-
	<u>340,485</u>	<u>-</u>
<b>Research</b>		
RUSI	99,884	-
	<u>99,884</u>	<u>-</u>

### 5. Governance costs

	2023	2022
	£	£
Auditors' remuneration comprises		
- audit services	9,300	9,000
Staff costs		
- wages and salaries	65,181	41,981
- social security costs	6,066	3,400
- pension costs	900	1,198
Legal and professional fees	16,314	17,755
Imputed office rent	-	5,400
Office rent	29,786	7,289
Accountancy	7,073	6,151
Taxation services	1,200	1,200
Bank charges and interest	578	541
Other administration	14,173	5,692
IT fees	7,859	4,800
	<u>158,430</u>	<u>104,407</u>

Governance costs have been apportioned to charitable activities on a pro rata basis in accordance with the number of grants awarded during the year to each of the charitable activities.

The Foundation had three employees during the year and the average headcount was two (2022: two).



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 6. Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2023	-	-
Additions	1,878	1,878
At 31 December 2023	<u>1,878</u>	<u>1,878</u>
Depreciation		
At 1 January 2023	-	-
Additions	-	-
At 31 December 2023	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2023	<u>1,878</u>	<u>1,878</u>
At 31 December 2022	<u>-</u>	<u>-</u>

### 7. Investments

	2023 £	2022 £
Movement in fixed asset listed investments		
Opening market value	28,637,181	31,790,914
Additions at cost	33,323,144	1,078,187
Disposals at carrying value	(40,359,142)	(1,910,134)
Net gains/(losses) on revaluation	2,291,792	(2,321,786)
Closing market value	<u>23,892,975</u>	<u>28,637,181</u>
Investments at fair value comprised		
Non UK equities	11,474,744	17,658,267
UK fixed interest securities	4,513,316	1,429,835
Non UK fixed interest securities	5,249,276	3,496,435
Other investment	2,655,639	6,052,644
	<u>23,892,975</u>	<u>28,637,181</u>

The Trustees consider that there were no material individual investment holdings that require disclosure. All investments are traded in quoted public markets or liquid mutual funds and carried at their fair value.



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 7. Investments (continued)

The basis of fair value for quoted investments is equivalent to the market value, using the closing price for securities and closing NAV for funds. Investment additions and disposals are recognised at the date of trade at cost, being the transaction value. These investments are accounted for at fair value through the Statement of Financial Activities.

### 8. Debtors

	2023	2022
	£	£
Accrued income	235,978	-
Accrued investment income	159,656	27,529
Prepayments	3,855	2,460
Other debtors	4,400	4,100
	<u>403,889</u>	<u>34,089</u>

### 9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accrued audit, tax and accounting fees	12,300	11,400
Accrued investment management fees	37,588	40,387
Accrued charitable donations	60,000	-
Other creditors	4,659	10,920
	<u>114,547</u>	<u>62,707</u>

There are no liabilities falling due after more than one year.



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 10. Analysis of charitable funds

	Investments £	Tangible assets £	Net current assets £	Total 2023 £	Total 2022 £
Expendable endowment fund	23,892,975	-	34,419,641	58,312,616	28,695,783
Unrestricted income fund	-	1,878	1,404,271	1,406,149	718,824
	<u>23,892,975</u>	<u>1,878</u>	<u>35,823,912</u>	<u>59,718,765</u>	<u>29,414,607</u>

The unrestricted funds of the Foundation are made up as follows at 31 December 2023:

	2023 £	2022 £
General funds	664,349	718,824
Designated funds Signatur Programme	460,000	-
Designated funds LACT Programme	281,800	-
Designated funds Research	-	-
	<u>1,406,149</u>	<u>718,824</u>

The designated funds were designated for the paying of specific grants expected to materialise within the first three months of the next financial period provided the projects fulfil their criteria to qualify, at the Trustees' complete discretion. As such the funds were designated but no liability was recognised with regards to these future payments.



## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 11. Financial instruments

	2023 £	2022 £
Financial assets measured at fair value through income or expenditure comprise investments	23,892,975	28,637,181
Financial assets measured at amortised cost comprise accrued income, other debtors, cash and cash equivalent	35,934,604	840,133
	<u>59,827,579</u>	<u>29,477,314</u>
Financial liabilities measured at amortised cost comprise accruals and other creditors	<u>(114,547)</u>	<u>(62,707)</u>
<i>Income, expense and net gains and losses, including changes in fair value.</i>		
Gains/(losses) on financial assets measured at fair value through income or expenditure	2,291,791	(2,321,786)
Dividend income from financial assets measured at fair value through income or expenditure	458,044	365,070
Interest income on financial assets measured at fair value through income or expenditure	302,785	174,231
Interest income on financial assets measured at amortised cost	1,083,864	7,009
	<u>4,136,484</u>	<u>(1,775,476)</u>

#### Financial risk management

The Trustees consider the following risk factors for each proposed investment as well as the impact of a particular investment selection on the overall portfolio risk return profile:

- a) market risk: equity - beta of investment to equity markets, volatility, drawdown risk
- b) market risk: rates - sensitivity of investment to moves in interest rates
- c) market risk: credit - sensitivity of investment to moves in credit spreads
- d) capital risk: counterparty risk, default risk or risk of total investment failure
- e) concentration risk: overexposure to particular sector or investment type
- f) currency risk: with respect to unintended currency exposures
- g) liquidity risk: considered both in normal and stressed market circumstances

In order to manage the risk profile of the portfolio and its constituent parts, the Trustees have developed a heat map that is monitored on an ongoing basis.

Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2023

### 12. Operating lease commitments

During the period, the Foundation entered into a short term lease for office space on 1 October 2023 for 12 months. At 31 December 2023, the Foundation had future minimum rentals under non-cancellable operating leases as set out below:

	2023	2022
	£	£
<b>Minimum rentals payable</b>		
Within one year	<u>23,760</u>	<u>22,140</u>

### 13. Related party transactions

In the financial year, one of the Trustees paid fees of £13,720 (2022: £4,212) for office administration, professional support, travel and IT costs, for the benefit of the Foundation. The fees will not be reimbursed by the Foundation. In the prior financial year, the Foundation benefited from being able to share office space with an entity under the control of one of the Trustees. The estimated rental value of £nil (2022: £5,400) of this benefit will not be reimbursed by the Foundation. Accordingly, these two amounts have been included within note 2.

**THE KARLSSON JATIVA CHARITABLE FOUNDATION**

England & Wales - Charity number 1168787

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# Accounts

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# **The Karlsson Játiva Charitable Foundation**

Registered Charity No. 1168787

## **Report and Accounts**

For the year ended 31 December 2022



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## Reference and administrative information

### Trustees

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson (retired 9 June 2023)

### Address

2<sup>nd</sup> floor  
78-79 Pall Mall  
London  
SW1Y 5ES

### Constitution

Registered Charity number 1168787  
Governed by a Trust Deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016

### Auditors

Rawlinson & Hunter Audit LLP  
Eighth Floor, 6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

### Solicitors

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### Investment Managers

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU



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For the year ended 31 December 2022

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## Trustees' annual report

For the year ended 31 December 2022

The Trustees present their report and audited financial statements of The Karlsson Játiva Charitable Foundation (“the Foundation”) for the year ended 31 December 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 Foundation's governing document, a trust deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016 (“the Trust Deed”), the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

### Background and Objects

The Foundation was formed on 5 July 2016 by an initial settlement from Mr Erland Karlsson (the “Settlor”) and was registered by the Charity Commission (registered charity number 1168787) on 16 August 2016.

The Foundation has the power to advance any purpose which is charitable under the laws of England and Wales. The Foundation is at present operating as a grant giving trust in furtherance of its principal objects as set out in the Trust Deed, namely: “the advancement of the art of music and the education of the public in the same in the United Kingdom, Sweden and other countries across Europe; and the relief of poverty, distress and hardship and the promotion of education, health and welfare or any other exclusively charitable object in Latin America”.

### Structure, Governance and Management

The governing document of the Foundation is its Trust Deed, which provides that the power of appointing new Trustees is vested in the Founder where the Founder's powers are held by the Settlor until such time as another person or persons are appointed pursuant to the power contained in the Trust Deed. Trustees are selected for the contribution to the balance of experience they bring. Any new Trustee will be given induction and training providing him or her with a summary of how the Foundation operates and copies of relevant documentation. He or she will also be directed to the resources available on the Charity Commission website for relevant guidelines. The Trustees who held office during the financial period and up to the date of this report were:

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson (retired 9 June 2023)

All the Trustees give their time freely and no trustee remuneration was paid during the year.

The Trustees may delegate from time to time such of their powers of management and administration to one or more of their number or other persons as appropriate. The Trustees have adopted a Grant Making Policy, details of which are given on page 7. Grants are approved by the Trustees in a Trustees meeting or by written resolution. The Trustees have, in accordance with the Grant Making Policy, delegated authority to two of their number to take grant-funding decisions within specified limits between Trustees meetings. All grants made under this delegated authority are reported to and considered by the Trustees at the following Trustees meeting.



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## **Trustees' annual report (continued)**

**For the year ended 31 December 2022**

To assist the Trustees in considering proposals and identifying appropriate partners in Latin America, the Trustees established a Latin American Advisory Board ("LAAB") for the Foundation. The LAAB currently consists of a number of the Foundation's Trustees and external individuals who have served as Trustees of the Latin American Children's Trust ("LACT"), a registered charity to which the Foundation has previously made grants but which has recently been wound up. The LAAB is constituted solely as an advisory body to the Trustees, it has no delegated authority to take any decisions on behalf of the Trustees and its role is limited to advice and recommendations to the Trustees.

The Trustees have furthermore delegated investment management authority to Goldman Sachs International (the "Investment Manager") in accordance with the Investment Policy Statement approved by the Trustees (see page 8). One of the Trustees has responsibility to monitor the performance of the Investment Manager on a day-to-day basis and reports back periodically to the full group of Trustees.

The Foundation had three employees during the year ended 31 December 2022 and the average headcount was two (2021: one).

### **Principal Risks and Uncertainties**

The Trustees have examined the major risks faced by the Foundation, including administrative, investment related, regulatory, conflict of interest, financial controls and other issues. Systems are in place to regularly monitor and control these risks and to mitigate any impact they may have on the Foundation. The main market risk to the Foundation comes from fixed asset investments. The risk lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes. Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.

Financial markets face several challenges due to the elevated levels of inflation and more broadly the fallout from the war in Ukraine. The Trustees anticipate an elevated level of volatility in light of these uncertain investment conditions, however, believe that the adopted Investment Policy serves to mitigate these risks.

### **Public Benefit**

The Trustees have had due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant. Each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public in general or a sufficient section of the public, and any private benefit that may accrue to any person or entity as a result of a grant is incidental. The Trustees will consider whether any harm or detriment could arise from any grant, and not make the grant if any such harm or detriment could outweigh the public benefit. They consider that the detail in this report about the Foundation's grants and its purposes sufficiently identifies the benefit and beneficiaries of the Foundation's grants, in such a way as to demonstrate the Foundation's benefit to the wider public.

### **Objectives**

The Foundation's Objects refer expressly to (a) music in the United Kingdom, Sweden and other countries across Europe; and (b) poverty, health and education in Latin America. The Trustees are not obliged to focus their grant-making on these areas but have agreed that as a matter of policy they wish to do so at present.

With respect to Object (a) referred to in the previous paragraph, the Trustees have adopted the following Mission Statement:



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## Trustees' annual report (continued)

For the year ended 31 December 2022

*“Together with likeminded partners we aim to create a force for an improved society with the help of the unifying power of music. We want to open doors to the world of music for everyone, focusing on opportunities to those who might not otherwise have the chance to actively engage in, or have access to high quality music and music education. We seek to act as a counterbalance to the trends in society towards superficiality and intolerance, building on the innate potential of music and musicianship to unite people across ages and cultures.”*

The Foundation seeks to support organisations and projects that aim, directly or indirectly, to provide access to broad qualitative music education and/or improve the opportunities for the public to enjoy high quality music. Through this work it seeks to create conditions for cultural integration through music. In addition to music, the Foundation can also support other closely related forms of performing arts such as dance, ballet or theatre.

In the United Kingdom, the Foundation prioritises grant making for exclusively charitable purposes to organisations that align at their core with our Mission Statement, i.e., those that have likeminded aims embedded in their “DNA”. These may be music schools, conservatories, orchestras, choirs or other music establishments, as well as other registered charities operating in the field with similar objects. Grants will generally not be made to organisations or activities that do not align at their core with our Mission Statement.

In Sweden, the Foundation has supported the establishment of a charitable foundation with charitable objects which align with those of the Foundation as set out further under 'Activities, Achievements and Future Plans' below.

With respect to Object (b) the Trustees focus grant making to UK-registered charities that support work in Latin America, in particular in the countries of Ecuador, Colombia, Bolivia and Peru.

The specific objectives the Trustees set for this financial year were to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its aims.

### **Activities, Achievements and Future Plans**

Eleven grants were made in the field of music in the United Kingdom during the year under the umbrella of the Signatur Programme. The Trustees were able to consider a wide range of projects with potential partners. Proposals were reviewed and assessed according to how they fulfil the best interests of the Foundation and furtherance of its objects. In this financial year the Foundation has made continued grants to Music Masters, a charity that provides instrumental lessons to young children from diverse backgrounds, in support of a national teacher training programme in order to effect change in the music education sector and to Royal Birmingham Conservatoire’s initiative in local community music education - SoundLab - serving disadvantaged young people in Coventry and Birmingham.

It has made further grants to Aurora Orchestra in support of their programme to provide a music education model in primary schools and SEND settings across England and live storytelling performances in London partner schools, and to The Music Works in support of its open access programme – The Drop - which provides a safe creative space for young people in Gloucester (70% from challenging circumstances) where they can begin or progress their music making journey, make friends and develop networks.

Further grants were also made to Noah’s Ark Children’s Hospice in support of their music therapy provision for end of life care of children and their families and also in support of their research project studying the effect of music therapy for babies with traumatic brain injury and their parents/guardians in collaboration with University College Hospital London, and to Music of Life which provides weekly singing sessions in special needs schools in Cambridge, Warwickshire and Birmingham, catering for children from disadvantaged backgrounds with complex mental, physical, learning and emotional needs.



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## Trustees' annual report (continued)

For the year ended 31 December 2022

The Foundation has also continued its support to London Music Fund, an independent charity with the Mayor of London as patron, which provides funding to London borough music education hubs to implement ambitious music initiatives across a diverse range of genres for 7-18 year olds to perform alongside professional musicians in iconic venues, and to the Royal Academy of Music towards its junior conservatoire programme in musical theatre, enabling children from the widest possible backgrounds to access high quality training in the musical theatre skills necessary for entry into a premier UK drama school and ultimately to pursue a career in musical theatre.

A new partnership was initiated with Liverpool FC Foundation in support of its Sound Minds programme which aims to provide high quality sport and music workshops to improve the mental health of children and young people across the Liverpool city region, also with Southbank Centre to develop a youth singing programme to enable children and young people with lower levels of access to culture in Lambeth and across London to enjoy transformative experiences of musical participation.

For more information on the work of the Foundation in the field of music in the United Kingdom, please visit [www.signatur.org.uk](http://www.signatur.org.uk)

In order to reach beneficiaries in Sweden and the Nordic region most effectively, the Trustees concluded this was best achieved by providing the funding to a Swedish charity, that in turn would be able to distribute grants and implement projects locally. In April 2018, "Signatur – Insamlingsstiftelse för musikfrämjande" (transl. "Signatur – Fundraising Foundation for Advancement of Music", hereinafter referred to as "Signatur Foundation Sweden") was entered into the foundation register of the Stockholm County Administrative Board. Signatur Foundation Sweden has an independent board of directors responsible for its strategy and governance and the Foundation has provided grant funding to the charity to be applied for its operations in carrying out projects which are exclusively charitable under the laws of England and Wales.

Signatur Foundation Sweden has the main public benefit purpose of promoting, solely or exclusively, a vibrant Swedish and Nordic music life by providing access to broad qualitative music education and improving the opportunities for the public to enjoy high quality music. In particular, it intends to promote efforts to broaden the base for Swedish and Nordic music life and to further create the conditions for cultural integration through music. In addition to music, Signatur Foundation Sweden can also support other closely related forms of performing arts such as dance, ballet or theater. The object costs of Signatur Foundation Sweden were around £445,000 in 2022 funding thirteen grants (2021: around £500,000 funding twelve grants). For more information on the work of Signatur Foundation Sweden, please visit [www.signatur.se](http://www.signatur.se)

The Foundation identifies all the projects it supports in the field of music, whether in the UK or Sweden, as Signatur projects using the Signatur logo. The intellectual property rights in the logo are registered to the Foundation and licensed to Signatur Foundation Sweden:

**Signatur**

*Signatur is the umbrella name  
for KJCF's work for the  
advancement of the art of*

In prior financial years, grants in the field of poverty, health and education in Latin America were extended to the Latin American Children's Trust, a charity registered in England and Wales, whose charitable objects align with one of the Foundation's. LACT has been supporting charitable projects in the Andean region since 2004 and has long standing relationship with key charitable organisations operating in the region. The Trustees did not make any grants to LACT during this financial year (2021: £1,665,000). However, LACT



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## Trustees' annual report (continued)

For the year ended 31 December 2022

used its existing funding to provide eleven grants during the financial period to projects divided into four different categories:

- Education and Entrepreneurship Training; four projects representing 41% of total grants
- Poverty Alleviation; one project representing 10% of total grants
- Child Protection and Protection against Sexual Violence; five projects representing 31% of total grants
- Health; two projects representing 18% of total grants.

The legal structure of how the LACT programme is delivered changed on 1 April 2023. The Latin American Children's Trust has subsequently been dissolved and the programme will continue to be delivered without change of strategic direction by the Foundation (its main funder). For further information on the 2022 grant giving work of LACT, please visit [www.lact.org.uk](http://www.lact.org.uk)

Grants are made and monitored in accordance with the Grant Making Policy and other procedures adopted by the Trustees including those put in place to address programme change requests from partners necessitated by the effect of the COVID-19 pandemic. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, with emphasis on projects that are likely to have a long-lasting impact and that are in accordance with the objectives of the Foundation. The Trustees may attach conditions to grants made by them. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the Trustees that the funds will be applied for the purposes for which they were given. Onward grants made by Signatur Foundation Sweden are made in accordance with its respective grant making policy which contains similar provisions to those of the Foundation.

The Trustees will identify the project to be funded by the grant, or identify that the grant is expendable for the grantee's general charitable purposes. They will also require acknowledgement of the grant and seek evidence from grantee organisations that they have in place satisfactory safeguarding policies consistent with the Foundation's own Safeguarding Policy.

While the specific objectives for the Foundation for next year are the same as the ones for this period, i.e. to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its objects, 2023 is expected to be a transformational year for the Foundation. In March 2023, we received a grant that effectively doubled the resources of the Foundation. In light of this, the Trustees will review and update the Investment Policy Statement to take into account the additional resources available. Furthermore, as described above, the LACT programme will be directly implemented by the Foundation going forward.

### Financial Review

Incoming resources of the Foundation comprised donations, investment and interest income. The Foundation received substantial contributions in the form of expendable endowment in 2017 and 2018 (the "Fund"). The grants provide that the Trustees shall apply the income derived from the Fund to such purposes within its charitable objects as they may determine and may, at their discretion, decide that all or any part of the Fund may be expended on such purposes. However, despite the fact that the whole of the Fund may be expended by the Trustees, it was the donor's wish that the Fund be invested to produce income on a long-term basis for charitable expenditure for the public benefit.

The Trustees have reviewed the performance of the Investment Manager and noted it achieved a return on the Fund of -6.2% in 2022 vs the agreed benchmark of -8.2% (14.3% in 2021 vs 13.3%). Inception to date



## Trustees' annual report (continued)

For the year ended 31 December 2022

the corresponding numbers were 5.1% and 5.6% (annualised). The agreed benchmark reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income and as such is aspirational as it does not account for fees or costs. The assets were, at the end of the year, invested in global equity (61%) and fixed income markets (18%) as well as alternative and other investments (21%).

Total income for the year totalled £555,922 (2021: £454,700) and total expenditure for the year totalled £1,150,612 (2021: £2,830,827) of which £989,008 (2021: £2,664,658) was expenditure on charitable activities.

The Foundation's funds decreased to £29,414,607 as at 31 December 2022 from £32,327,151 as at 31 December 2021, which comprises the net loss before gains and losses of £594,690 (2021: net loss of £2,376,127) together with the net loss on investments of £2,321,786 (2021: gain of £3,855,439) and foreign exchange gains of £3,932 (2021: loss of £3,270).

### Reserves Policy

In adopting its Reserves Policy, the Trustees have considered the level of unrestricted income likely to arise from the expendable endowment and their power to convert investments held in the expendable endowment fund, if necessary, into income.

They have also considered their grant-making intentions and obligations and the impact on grantee organisations were any funding obligations not to be met. They have reviewed the Foundation's operating costs and the risks to which the Foundation is exposed, particularly with regard to its investment portfolio.

Taking these factors into account, it is the Trustees' policy to retain, out of the Foundation's unrestricted income, £250,000 in reserves. This is considered sufficient in order to cover 3 months of funding requirements of current projects and potential new projects.

As at 31 December 2022, the Foundation has unrestricted reserves of £718,824 (2021: £398,832). The Trustees are actively considering grants to a number of new potential grantees to deploy the funds in accordance with the objects of the Foundation.

### Investment Policy

The Trustees, taking into account their risk tolerance, have adopted an Investment Policy Statement requiring the Investment Manager to follow an agreed upon asset allocation commensurate with being able to achieve an expected long term portfolio return of 3% plus equal measure of UK and US inflation (the "Long Term Investment Objective"). The Trustees have decided not to hedge the implied currency exposure of the global equity exposure given the long-term investment horizon, cost effectiveness, liquidity considerations and the fact that beneficiaries are located across many countries. In addition to the "Long Term Investment Objective", the portfolio performance is ongoing measured against an agreed benchmark which, as mentioned above, reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income.

All investments and money market funds are held in custody by the Investment Manager.

### Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Foundation's auditor is 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 auditor is aware of that information.



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## Trustees' annual report (continued)

For the year ended 31 December 2022

### Auditors

Rawlinson & Hunter Audit LLP offers itself for reappointment as auditor in accordance with the Charities Act 2011.

### For and on behalf of the Trustees

  
.....

Erland Karlsson, Trustee .....19 June... 2023



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## Trustees' responsibilities statement

For the year ended 31 December 2022

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019.

The law applicable to charities in England and Wales 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 Foundation at the end of the year and of its incoming resources and application of resources during that year. In preparing the financial statements, the Trustees should follow best practice and are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent auditor's report**

**to the Trustees of The Karlsson Játiva Charitable Foundation**

### **Opinion**

We have audited the financial statements of The Karlsson Játiva Charitable Foundation (“the Foundation”) for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement Cash Flows and the related notes 1 to 13. 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), including FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Foundation’s affairs as at 31 December 2022 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 Auditor’s responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation 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 Foundation’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.



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## **Independent auditor's report (continued)**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Other information**

The other information comprises the information included in the Report and Accounts set out on pages 3 to 9 and the Trustees' responsibilities statement on page 10. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 the 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 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual 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 Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 10, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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## **Independent auditor's report (continued)**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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.

Our assessment of the susceptibility of the entity's financial statement to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and low volume of transactions within the Trust, there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals who comprise "management" and therefore, there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011, money laundering legislation, health and safety and employment law. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Trust has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Trust activities during the year;



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## Independent auditor's report (continued)

### to the Trustees of The Karlsson Játiva Charitable Foundation

- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 1012) and reviewing the ledgers of the Trust for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 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 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 Foundation and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Rawlinson & Hunter Audit LLP*

Rawlinson & Hunter Audit LLP, Statutory Auditor

London

Date: *19 June* 2023

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Statement of financial activities

For the year ended 31 December 2022

	Notes	Unrestricted funds £	Expendable endowment £	2022 Total funds £	2021 Total funds £
<b>Income</b>					
Donations	2	9,612	-	9,612	12,841
Investment income	3	539,301	-	539,301	441,856
Interest on cash and money market funds		7,009	-	7,009	3
<b>Total income</b>		<b>555,922</b>	<b>-</b>	<b>555,922</b>	<b>454,700</b>
<b>Expenditures</b>					
<i>Costs of raising funds:</i>					
Investment management fee		-	161,604	161,604	166,169
<i>Expenditures on charitable activities:</i>					
Music	4	989,008	-	989,008	991,413
Poverty, health and education		-	-	-	1,673,245
<b>Total expenditure</b>		<b>989,008</b>	<b>161,604</b>	<b>1,150,612</b>	<b>2,830,827</b>
<b>Net loss before gains and losses</b>		<b>(433,086)</b>	<b>(161,604)</b>	<b>(594,690)</b>	<b>(2,376,127)</b>
Net (loss)/gains on revaluation of investments	6	-	(2,321,786)	(2,321,786)	3,855,439
<b>Net (loss)/ income for the year</b>		<b>(433,086)</b>	<b>(2,483,390)</b>	<b>(2,916,476)</b>	<b>1,479,312</b>
<b>Transfer between funds</b>		<b>750,000</b>	<b>(750,000)</b>	<b>-</b>	<b>-</b>
Foreign exchange gains/(losses)		3,078	854	3,932	(3,270)
<b>Net movement in funds</b>		<b>319,992</b>	<b>(3,232,536)</b>	<b>(2,912,544)</b>	<b>1,476,042</b>
<b>Fund balances brought forward</b>		<b>398,832</b>	<b>31,928,319</b>	<b>32,327,151</b>	<b>30,851,109</b>
<b>Fund balances carried forward</b>		<b>718,824</b>	<b>28,695,783</b>	<b>29,414,607</b>	<b>32,327,151</b>

All income and expenditure derive from continuing activities.

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

The notes 1 to 13 on pages 18-26 form an integral part of these financial statements.



## Statement of financial position

For the year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Investments	6	<u>28,637,181</u>	<u>31,790,914</u>
<b>Current assets</b>			
Debtors	7	34,089	8,957
Cash and money market funds		<u>806,044</u>	<u>584,037</u>
		840,133	592,994
<b>Liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(62,707)</u>	<u>(56,757)</u>
<b>Net current assets</b>			
		<u>777,426</u>	<u>536,237</u>
<b>Net assets</b>			
		<u>29,414,607</u>	<u>32,327,151</u>
Representing:			
<b>The funds of the charity</b>			
Expendable Endowment		28,695,783	31,928,319
Unrestricted income fund		<u>718,824</u>	<u>398,832</u>
<b>Total charity funds</b>			
	9	<u>29,414,607</u>	<u>32,327,151</u>

The Financial Statements on pages 15 to 26 were approved and authorised for issue by the Trustees at the Trustees meeting on 19 June 2023 and were signed on behalf of the Trustees by:

Erland Karlsson, Trustee

The notes on pages 18 to 26 form an integral part of these financial statements.



## Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£	£
<b><i>Cash flows from operating activities</i></b>		
Net movement in funds	(2,912,544)	1,476,042
<i>Adjustments for:</i>		
Interest and dividend income from investments	(539,301)	(441,856)
Interest from cash and money market funds	(7,009)	(3)
Losses/(gains) on investments	2,321,786	(3,855,439)
Foreign exchange (gains)/losses	(3,932)	3,270
(Increase)/decrease in debtors	(25,132)	2,780
Increase/(decrease) in creditors	5,950	(44,243)
<b><i>Cash used in operating activities</i></b>	<u>(1,160,182)</u>	<u>(2,859,449)</u>
<b><i>Cash flows from investing activities</i></b>		
Interest and dividend income from investments	539,301	441,856
Interest from cash and money market funds	7,009	3
Purchase of investments	(1,078,187)	(2,403,435)
Proceeds from sale of investments	1,910,134	4,863,638
<b><i>Cash generated from investing activities</i></b>	<u>1,378,257</u>	<u>2,902,062</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	218,075	42,613
<b><i>Cash and cash equivalent at the beginning of the year</i></b>	584,037	544,694
Change in cash and cash equivalent due to exchange rate movements	3,932	(3,270)
<b><i>Cash and cash equivalent at the end of the year</i></b>	<u><u>806,044</u></u>	<u><u>584,037</u></u>
<b><i>Analysis of cash and cash equivalents</i></b>		
Money market fund	646,493	329,727
Cash in brokerage accounts	79,800	204,092
Cash at bank	79,751	50,218
<b><i>Total cash and cash equivalents</i></b>	<u><u>806,044</u></u>	<u><u>584,037</u></u>

The notes on pages 18 to 26 form an integral part of these financial statements.



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## Notes to the financial statements

For the year ended 31 December 2022

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements have been prepared in accordance with the Charities Act 2011 and with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Karlsson Játiva Charitable Foundation (“the Foundation”) meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties surrounding the Foundation’s ability to continue as a going concern. As noted in the Trustees’ annual report, the target of the Foundation is to have unrestricted reserves of £250,000. As at 31 December 2022 the unrestricted reserves of the Foundation were £718,824 (2021: £398,832), which is in excess of the target, and hence the Trustees consider the going basis to remain appropriate.

With respect to the next reporting period, the most significant area of uncertainty that affects the reserves of the Foundation is the performance of investment markets which will determine the carrying value of the investments held by the Foundation. The significance of fixed asset investments to the ongoing financial sustainability of the Foundation is considered in the financial review, principal risks and investment policy sections of the Trustees’ annual report.

#### b) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation is legally entitled to the income, it is probable that the income will be received, and the amount of income can be quantified with reasonable accuracy. Income from donations is included when any conditions for receipt have been met and there is reasonable assurance of receipt which is usually when the Foundation has control over the income. Investment income is included when receivable and the amount can be measured reliably which is usually upon notification to the Foundation from the investment manager.

#### c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including grants provided in support of the objects of the Foundation, overhead expenses and governance costs, are allocated or apportioned to applicable expenditure headings. Refer to note (d) below for more information on this attribution.



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## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 1. Accounting policies (continued)

#### c) Expenditure recognition (continued)

Grants provided in support of the objects of the Foundation are payments made to institutions which are partner organisations of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Foundation.

Overhead expenses relate to the fees chargeable by the investment managers.

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to staff, rent, administration, statutory audit and legal fees.

#### d) Allocation and apportionment of expenses

Overhead expenses have been allocated to costs of raising funds.

Grants provided in support of the objects of the Foundation have been allocated to expenditure on charitable activities. Charitable activities comprise the projects operated by the partner organisations of the Foundation and are categorised by activity, as detailed in note 4.

Governance costs have been apportioned over the appropriate categories, as detailed in note 4, on the basis of the number of individual grant awards made in recognition that the administrative costs of assessing, awarding and monitoring each grant is broadly equivalent.

#### e) Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) Charitable activities

Costs of charitable activities include grants provided in support of the objects of the Foundation and governance costs. The allocation to activity of grants paid and the apportionment between activities of governance costs incurred is detailed in note 4.

#### g) Financial instruments

Investments are initially recognised at their transaction value and subsequently measured at fair value as at the Statement of Financial Position date using the closing quoted market price and closing NAV for funds. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Foundation does not acquire derivatives or other complex financial instruments.

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments such as high grade daily liquidity money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 1. Accounting policies (continued)

#### h) Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### i) Provisions

Provisions for grant payments to partner organisations of the Foundation are made when the intention to make a grant has been communicated to the partner organisation but there is uncertainty about either the timing of the grant or the amount of grant payable. No provisions are made for future conditional instalments of multi-year grants where the payment of such instalment remains at the discretion of the Trustees.

#### j) Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income and retained earnings on a straight line basis over the lease term. The value of any rent free periods are amortised over the life of the lease.

#### k) Key judgements and estimates

In applying the Foundation's accounting policies, the Trustees may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the financial year.

The Trustees' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the financial year in which the estimate is revised.

The Trustees are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

### 2. Donations

Income from donations totalled £9,612 (2021: £12,841), of which £9,612 (2021: £12,841) was unrestricted and £nil (2021: £nil) was restricted as an expendable endowment.



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 3. Investment income

	2022	2021
	£	£
Listed investments:		
Dividends - Non UK equities	335,419	299,844
Interest - UK fixed interest securities	14,322	17,474
Interest - Non UK fixed interest securities	159,909	124,538
Dividends – Other Investments	29,651	-
	<u>539,301</u>	<u>441,856</u>

### 4. Analysis of expenditure on charitable activities

The Foundation undertook no direct charitable activities but awarded support grants to several institutions in furtherance of its charitable activities. The support grants are analysed below between the two categories of activity together with the allocation of governance costs incurred by the Foundation.

	Support Grants to Institutions	Allocation of Governance Costs	Total Expenditure 2022	Total Expenditure 2021
	£	£	£	£
<b>Charitable activity</b>				
Music	884,601	104,407	989,008	991,413
Poverty, health and education	-	-	-	1,673,245
	<u>884,601</u>	<u>104,407</u>	<u>989,008</u>	<u>2,664,658</u>

	2022	2021
	£	£
<b>Support grants by country</b>		
Sweden	479,353	584,348
United Kingdom	405,248	2,018,472
	<u>884,601</u>	<u>2,602,820</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 4. Analysis of expenditure on charitable activities (continued)

	2022	2021
	£	£
<b>Support grants by institution</b>		
Aurora Orchestra	50,000	50,000
Awards for Young Musicians	-	20,000
Birmingham Conservatoire	45,000	55,000
Latin American Children's Trust	-	1,665,000
London Music Fund	52,000	30,000
Music Masters	50,000	50,000
Music of Life	20,000	20,000
Noah's Ark Children's Hospice	50,000	50,000
ORA Choir	-	30,000
Royal Academy of Music	10,000	25,000
Signatur Foundation Sweden	479,353	584,348
The Music Works	28,248	23,472
Southbank Centre	50,000	-
Liverpool FC Foundation	50,000	-
	<u>884,601</u>	<u>2,602,820</u>

### 5. Governance costs

	2022	2021
	£	£
Auditors' remuneration comprises		
- audit services	9,000	7,800
Staff costs		
- wages and salaries	41,981	15,000
- social security costs	3,400	852
- pension costs	1,198	-
Legal and professional fees	17,755	12,504
Imputed office rent	5,400	7,650
Office rent	7,289	-
Accountancy	6,151	6,113
Taxation services	1,200	1,200
Bank charges and interest	541	628
Other administration	5,692	2,223
IT fees	4,800	7,868
	<u>104,407</u>	<u>61,838</u>

Governance costs have been apportioned to charitable activities on a pro rata basis in accordance with the number of grants awarded during the year to each of the charitable activities.

The Foundation had three employees during the year and the average headcount was two (2021: one).



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 6. Investments

	2022	2021
	£	£
Movement in fixed asset listed investments		
Opening market value	31,790,914	30,395,678
Additions at cost	1,078,187	2,403,435
Disposals at carrying value	(1,910,134)	(4,863,638)
Net (losses)/gains on revaluation	(2,321,786)	3,855,439
Closing market value	<u>28,637,181</u>	<u>31,790,914</u>
	2022	2021
	£	£
Investments at fair value comprised		
Non UK equities	17,658,267	20,241,608
UK fixed interest securities	1,429,835	1,612,241
Non UK fixed interest securities	3,496,435	3,807,622
Other investment	6,052,644	6,129,443
	<u>28,637,181</u>	<u>31,790,914</u>

The Trustees consider that there were no material individual investment holdings that require disclosure. All investments are traded in quoted public markets or liquid mutual funds and carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the closing price for securities and closing NAV for funds. Investment additions and disposals are recognised at the date of trade at cost, being the transaction value. These investments are accounted for at fair value through the Statement of Financial Activities.

### 7. Debtors

	2022	2021
	£	£
Accrued investment income	27,529	8,957
Prepayments	2,460	-
Other debtors	4,100	-
	<u>34,089</u>	<u>8,957</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accrued audit, tax and accounting fees	11,400	10,800
Accrued investment management fees	40,387	42,896
Other creditors	10,920	3,061
	<u>62,707</u>	<u>56,757</u>

There are no liabilities falling due after more than one year.

### 9. Analysis of charitable funds

	Investments	Net current assets	Total 2022	Total 2021
	£	£	£	£
Expendable Endowment fund	28,637,181	58,602	28,695,783	31,928,319
Unrestricted income fund	-	718,824	718,824	398,832
	<u>28,637,181</u>	<u>777,426</u>	<u>29,414,607</u>	<u>32,327,151</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 10. Financial instruments

	2022 £	2021 £
Financial assets measured at fair value through income or expenditure	28,637,181	31,790,914
Financial assets measured at amortised cost	840,133	592,994
	<u>29,477,314</u>	<u>32,383,908</u>
Financial liabilities measured at amortised cost	<u>(62,707)</u>	<u>(56,757)</u>
<i>Income, expense and net gains and losses, including changes in fair value.</i>		
(Losses)/gains on financial assets measured at fair value through income or expenditure	(2,321,786)	3,855,439
Dividend income from financial assets measured at fair value through income or expenditure	365,070	299,844
Interest income on financial assets measured at fair value through income or expenditure	174,231	142,012
Interest income on financial assets measured at amortised cost	7,009	3
	<u>(1,775,476)</u>	<u>4,297,298</u>

#### **Financial risk management**

##### Market risk

The Foundation's investments held at fair value are exposed to the uncertainty of investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes.

##### Credit risk

Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.



## Notes to the financial statements (continued)

For the year ended 31 December 2022

### 11. Operating lease commitments

During the period, the Foundation entered into a short term lease for office space on 1 October 2022 for 12 months. At 31 December 2022, the Foundation had future minimum rentals under non-cancellable operating leases as set out below:

	2022	2021
	£	£
<b>Minimum rentals payable</b>		
Within one year	22,140	-

### 12. Related party transactions

One of the Trustees, Jeremy Arnold, was an employee of Withers LLP until 3 June 2022. This did not involve any remuneration related directly to fees billed to the Foundation and no charge was made for Mr Arnold's time in his capacity as a Trustee. In accordance with the conflict of interest policy, Mr Arnold took no part in reviewing or approving any invoices for legal services received from Withers LLP. Legal fees payable to Withers LLP incurred during the year amounted to £17,716 (2021: £12,469).

In the financial year, one of the Trustees paid fees of £4,212 (2021: £5,191) for office administration, travel and IT costs, for the benefit of the Foundation. The fees will not be reimbursed by the Foundation. In the financial year, the Trust has benefited from being able to share office space with an entity under the control of one of the Trustees. The estimated rental value of £5,400 (2021: £7,650) of this benefit will not be reimbursed by the Foundation. Accordingly, these two amounts have been included within note 2.

### 13. Post balance sheet event

A trust, settled by the Settlor, was terminated on 3 March 2023 and the entirety of the trust fund was appointed to the Foundation absolutely. As of that date, the trust held investment assets of £29,576,689 which will be transferred to the Foundation as soon as practicable.

**THE KARLSSON JATIVA CHARITABLE FOUNDATION**

England & Wales - Charity number 1168787

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# Accounts

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# **The Karlsson Játiva Charitable Foundation**

Registered Charity No. 1168787

## **Report and Accounts**

For the year ended 31 December 2021



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## Reference and administrative information

### Trustees

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson

### Address

2<sup>nd</sup> floor  
78-79 Pall Mall  
London  
SW1Y 5ES

### Constitution

Registered Charity number 1168787  
Governed by a Trust Deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016

### Auditors

Rawlinson & Hunter Audit LLP  
Eighth Floor, 6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

### Solicitors

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### Investment Managers

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU



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For the year ended 31 December 2021

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## Trustees' annual report

For the year ended 31 December 2021

The Trustees present their report and audited financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 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 Foundation's governing document, a trust deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016 ("the Trust Deed"), the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

### Background and Objects

The Foundation was formed on 5 July 2016 by an initial settlement from Mr Erland Karlsson (the "Settlor") and was registered by the Charity Commission (registered charity number 1168787) on 16 August 2016.

The Foundation has the power to advance any purpose which is charitable under the laws of England and Wales. The Foundation is at present operating as a grant giving trust in furtherance of its principal objects as set out in the Trust Deed, namely: "the advancement of the art of music and the education of the public in the same in the United Kingdom, Sweden and other countries across Europe; and the relief of poverty, distress and hardship and the promotion of education, health and welfare or any other exclusively charitable object in Latin America".

### Structure, Governance and Management

The governing document of the Foundation is its Trust Deed, which provides that the power of appointing new Trustees is vested in the Founder where the Founder's powers are held by the Settlor until such time as another person or persons are appointed pursuant to the power contained in the Trust Deed. Trustees are selected for the contribution to the balance of experience they bring. Any new Trustee will be given induction and training providing him or her with a summary of how the Foundation operates and copies of relevant documentation. He or she will also be directed to the resources available on the Charity Commission website for relevant guidelines. The Trustees who held office during the financial period and up to the date of this report were:

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson (appointed 11 February 2021)

All the Trustees give their time freely and no trustee remuneration was paid during the year.

The Trustees may delegate from time to time such of their powers of management and administration to one or more of their number or other persons as appropriate. The Trustees have adopted a Grant Making Policy, details of which are given on page 6. Grants are approved by the Trustees in a Trustees meeting or by written resolution. The Trustees have, in accordance with the Grant Making Policy, delegated authority to two of their number to take grant-funding decisions within specified limits between Trustees meetings. In addition, in 2020 this delegation of authority was extended to enable dynamic responsiveness to partner programme change requests necessitated by the effect of the COVID-19 pandemic on their organisations and programme work. All grants made under this delegated authority are reported to and considered by the Trustees at the following Trustees meeting.



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## Trustees' annual report (continued)

For the year ended 31 December 2021

The Trustees have furthermore delegated investment management authority to Goldman Sachs International (the "Investment Manager") in accordance with the Investment Policy Statement approved by the Trustees (see page 8). One of the Trustees has responsibility to monitor the performance of the Investment Manager on a day-to-day basis and reports back periodically to the full group of Trustees.

The Foundation had one employee for the year ended 31 December 2021 (2020: one).

### Principal Risks and Uncertainties

The Trustees have examined the major risks faced by the Foundation, including administrative, investment related, regulatory, conflict of interest, financial controls and other issues. Systems are in place to regularly monitor and control these risks and to mitigate any impact they may have on the Foundation. The main market risk to the Foundation comes from fixed asset investments. The risk lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes. Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.

Financial markets face several challenges due to the continued impact of the COVID-19 pandemic, the fallout from the war in Ukraine and historically high levels of inflation. The Trustees anticipate an elevated level of volatility in light of these uncertain investment conditions, however, believe that the adopted Investment Policy serves to mitigate these risks.

### Public Benefit

The Trustees have had due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant. Each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public in general or a sufficient section of the public, and any private benefit that may accrue to any person or entity as a result of a grant is incidental. The Trustees will consider whether any harm or detriment could arise from any grant, and not make the grant if any such harm or detriment could outweigh the public benefit. They consider that the detail in this report about the Foundation's grants and its purposes sufficiently identifies the benefit and beneficiaries of the Foundation's grants, in such a way as to demonstrate the Foundation's benefit to the wider public.

### Objectives

The Foundation's Objects refer expressly to (a) music in the United Kingdom, Sweden and other countries across Europe; and (b) poverty, health and education in Latin America. The Trustees are not obliged to focus their grant-making on these areas but have agreed that as a matter of policy they wish to do so at present.

With respect to Object (a) referred to in the previous paragraph, the Trustees have adopted the following Mission Statement:

*"Together with likeminded partners we aim to create a force for an improved society with the help of the unifying power of music. We want to open doors to the world of music for everyone, focusing on opportunities to those who might not otherwise have the chance to actively engage in, or have access to high quality music and music education. We seek to act as a counterbalance to the trends in society towards superficiality and intolerance, building on the innate potential of music and musicianship to unite people across ages and cultures."*



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## Trustees' annual report (continued)

For the year ended 31 December 2021

The Foundation seeks to support organisations and projects that aim, directly or indirectly, to provide access to broad qualitative music education and/or improve the opportunities for the public to enjoy high quality music. Through this work it seeks to create conditions for cultural integration through music. In addition to music, the Foundation can also support other closely related forms of performing arts such as dance, ballet or theatre.

In the United Kingdom, the Foundation prioritises grant making for exclusively charitable purposes to organisations that align at their core with our Mission Statement, i.e., those that have likeminded aims embedded in their “DNA”. These may be music schools, conservatories, orchestras, choirs or other music establishments, as well as other registered charities operating in the field with similar objects. Grants will generally not be made to organisations or activities that do not align at their core with our Mission Statement.

In Sweden, the Foundation has supported the establishment of a charitable foundation with charitable objects which align with those of the Foundation as set out further under 'Activities, Achievements and Future Plans' below.

With respect to Object (b) the Trustees focus grant making to UK-registered charities that support work in Latin America, in particular in the countries of Ecuador, Colombia, Bolivia and Peru.

The specific objectives the Trustees set for this financial year were to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its aims.

### Activities, Achievements and Future Plans

Ten grants were made in the field of music in the United Kingdom during the year under the umbrella of the Signatur Programme. The Trustees were able to consider a wide range of projects with potential partners. Proposals were reviewed and assessed according to how they fulfil the best interests of the Foundation and furtherance of its objects. In this financial year the Foundation has made continued grants to Music Masters, a charity that provides instrumental lessons to young children from diverse backgrounds, in support of a national teacher training programme in order to effect change in the music education sector and to Royal Birmingham Conservatoire's initiative in local community music education - SoundLab - serving disadvantaged young people in Coventry and Birmingham.

It has made further grants to Ora Singers in support of a mentoring programme in vocal composition for young aspiring composers and its free digital educational platform providing broader assistance beyond the mentorship programme, to Aurora Orchestra in support of their musical programme in partnership with schools and community charities with a priority of reaching children who come from disadvantaged backgrounds or have special educational needs, and to The Music Works in support of its open access programme – The Drop - which provides a safe creative space for 600 young people a year in Gloucester (70% from challenging circumstances) where they can begin or progress their music making journey, make friends and develop networks.

Further grants were also made to Noah's Ark Children's Hospice in support of their music therapy provision for end of life care babies and their families and also in support of their research project studying the effect of music therapy for babies with traumatic brain injury and their parents/guardians in collaboration with University College Hospital London, and to Music of Life, a registered charity that provides more access to music tuition for deaf school children delivered by professional musicians who in some cases are themselves deaf.

The Foundation has also made grants to London Music Fund, an independent charity with the Mayor of London as patron, which re-launched its Partnership Fund for 2021, providing funding to London borough music education hubs to implement ambitious music initiatives across a diverse range of genres for 7-18 year olds to perform alongside professional musicians in iconic venues, and to Awards to Young Musicians,



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## Trustees' annual report (continued)

For the year ended 31 December 2021

to help support delivery of its Furthering Talent programme which is specifically designed to help talented young people from low income families to continue their musical instrument learning after initial state-funded lessons end, so that they can keep on playing music into their teens and beyond and fulfil their musical potential. A grant was also made to the Royal Academy of Music supporting the development of a new junior conservatoire programme in musical theatre, enabling children from the widest possible backgrounds to access high quality training in the musical theatre skills necessary for entry into a premier UK drama school and ultimately to pursue a career in musical theatre. For more information on the work of the Foundation in the field of music in the United Kingdom, please visit [www.signatur.org.uk](http://www.signatur.org.uk)

In order to reach beneficiaries in Sweden and the Nordic region most effectively, the Trustees concluded this was best achieved by providing the funding to a Swedish charity, that in turn would be able to distribute grants and implement projects locally. In April 2018, "Signatur – Insamlingsstiftelse för musikfrämjande" (transl. "Signatur – Fundraising Foundation for Advancement of Music", hereinafter referred to as "Signatur Foundation Sweden") was entered into the foundation register of the Stockholm County Administrative Board. Signatur Foundation Sweden has an independent board of directors responsible for its strategy and governance and the Foundation has provided grant funding to the charity to be applied for its operations in carrying out projects which are exclusively charitable under the laws of England and Wales.

Signatur Foundation Sweden has the main public benefit purpose of promoting, solely or exclusively, a vibrant Swedish and Nordic music life by providing access to broad qualitative music education and improving the opportunities for the public to enjoy high quality music. In particular, it intends to promote efforts to broaden the base for Swedish and Nordic music life and to further create the conditions for cultural integration through music. In addition to music, Signatur Foundation Sweden can also support other closely related forms of performing arts such as dance, ballet or theater. The object costs of Signatur Foundation Sweden were around £500,000 in 2021 funding twelve grants (2020: around £570,000 funding fourteen grants). For more information on the work of Signatur Foundation Sweden, please visit [www.signatur.se](http://www.signatur.se)

The Foundation identifies all the projects it supports in the field of music, whether in the UK or Sweden, as Signatur projects using the Signatur logo. The intellectual property rights in the logo are registered to the Foundation and licensed to Signatur Foundation Sweden:

**Signatur**

*Signatur is the umbrella name  
for KICF's work for the  
advancement of the art of music*

The Trustees extended two grants in the field of poverty, health and education in Latin America in this financial year. These grants were to the Latin American Children's Trust ("LACT"), a charity registered in England and Wales, whose charitable objects align with one of the Foundation's. LACT has been supporting charitable projects in the Andean region since 2004 and has long-standing relationships with key charitable organisations operating in the region. The grants were approved for grant-making and associated reasonable governance and overhead costs for the relief of poverty, distress and hardship and the promotion of education, health and welfare of children and other members of families with children in Latin America. The charitable expenditure of LACT was £1,139,696 in 2021 funding fifteen grants (2020: £1,024,887 funding sixteen grants). For further information on the work of LACT, please visit [www.lact.org.uk](http://www.lact.org.uk).

With the emergence of the COVID-19 pandemic, most (if not all) of the Foundation's grantees had to adapt their programme implementation and, in many cases, extend the time frame for conducting the activities. In



## Trustees' annual report (continued)

For the year ended 31 December 2021

the field of music in the UK and Sweden, many partners devised innovative digital solutions to deliver ongoing support to their beneficiaries whereas in the field of poverty, health and education in Latin America programmes had to be more fundamentally redesigned to better address the immediate basic needs with greater emphasis on nutrition and livelihoods. Thankfully, we were able to agree a way forward with all partners to continue to provide meaningful positive impact to the intended beneficiary populations.

Grants are made and monitored in accordance with the Grant Making Policy and other procedures adopted by the Trustees including those put in place to address programme change requests from partners necessitated by the effect of the COVID-19 pandemic. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, with emphasis on projects that are likely to have a long-lasting impact and that are in accordance with the objectives of the Foundation. The Trustees may attach conditions to grants made by them. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the Trustees that the funds will be applied for the purposes for which they were given. Onward grants made by Signatur Foundation Sweden and LACT are made in accordance with their respective grant making policies which contain similar provisions to those of the Foundation.

The Trustees will identify the project to be funded by the grant, or identify that the grant is expendable for the grantee's general charitable purposes. They will also require acknowledgement of the grant and seek evidence from grantee organisations that they have in place satisfactory safeguarding policies consistent with the Foundation's own Safeguarding Policy.

The specific objectives for the Foundation for next year are the same as the ones for this period, i.e. to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its objects.

### Financial Review

Incoming resources of the Foundation comprised donations, investment and interest income. The Foundation received substantial contributions in the form of expendable endowment in 2017 and 2018 (the "Fund"). The grants provide that the Trustees shall apply the income derived from the Fund to such purposes within its charitable objects as they may determine and may, at their discretion, decide that all or any part of the Fund may be expended on such purposes. However, despite the fact that the whole of the Fund may be expended by the Trustees, it was the donor's wish that the Fund be invested to produce income on a long-term basis for charitable expenditure for the public benefit.

The Trustees have reviewed the performance of the Investment Manager and noted it achieved a return on the Fund of 14.3% in 2021 vs the agreed benchmark of 13.3% (6.9% in 2020 vs 8.7%). Inception to date the corresponding numbers were 7.1% and 8.0% (annualised). The agreed benchmark reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income and as such is aspirational as it does not account for fees or costs. The assets were, at the end of the year, invested in global equity (62%) and fixed income markets (18%) as well as alternative and other investments (20%).

Total income for the year totalled £454,700 (2020: £466,042) and total expenditure for the year totalled £2,830,827 (2020: £1,412,214) of which £2,664,658 (2020: £1,256,229) was expenditure on charitable activities.

The Foundation's funds increased to £32,327,151 as at 31 December 2021 from £30,851,109 as at 31 December 2020, which comprises the net loss before gains and losses of £2,376,127 (2020: £946,172) together with the net gain on investments of £3,855,439 (2020: £1,624,844) and foreign exchange losses of £3,270 (2020: gains of £5,634).



## Trustees' annual report (continued)

For the year ended 31 December 2021

### Reserves Policy

In adopting its Reserves Policy, the Trustees have considered the level of unrestricted income likely to arise from the expendable endowment and their power to convert investments held in the expendable endowment fund, if necessary, into income.

They have also considered their grant-making intentions and obligations and the impact on grantee organisations were any funding obligations not to be met. They have reviewed the Foundation's operating costs and the risks to which the Foundation is exposed, particularly with regard to its investment portfolio.

Taking these factors into account, it is the Trustees' policy to retain, out of the Foundation's unrestricted income, £250,000 in reserves. This is considered sufficient in order to cover 3 months of funding requirements of current projects and potential new projects.

As at 31 December 2021, the Foundation has unrestricted reserves of £398,832 (2020: £262,061).

### Investment Policy

The Trustees, taking into account their risk tolerance, have adopted an Investment Policy Statement requiring the Investment Manager to follow an agreed upon asset allocation commensurate with being able to achieve an expected long term portfolio return of 3% plus equal measure of UK and US inflation (the "Long Term Investment Objective"). The Trustees have decided not to hedge the implied currency exposure of the global equity exposure given the long-term investment horizon, cost effectiveness, liquidity considerations and the fact that beneficiaries are located across many countries. In addition to the "Long Term Investment Objective", the portfolio performance is ongoing measured against an agreed benchmark which, as mentioned above, reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income.

All investments and money market funds are held in custody by the Investment Manager.

### Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Foundation's auditor is 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 auditor is aware of that information.

### Auditors

Rawlinson & Hunter Audit LLP offers itself for reappointment as auditor in accordance with the Charities Act 2011.

### For and on behalf of the Trustees

Erland Karlsson, Trustee ..... 26 September 2022



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## **Trustees' responsibilities statement**

**For the year ended 31 December 2021**

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019.

The law applicable to charities in England and Wales 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 Foundation at the end of the year and of its incoming resources and application of resources during that year. In preparing the financial statements, the Trustees should follow best practice and are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent auditor's report**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Opinion**

We have audited the financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement Cash Flows and the related notes 1 to 11. 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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Foundation's affairs as at 31 December 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation 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 Foundation'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.



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## **Independent auditor's report (continued)**

**to the Trustees of The Karlsson Játiva Charitable Foundation**

### **Other information**

The other information comprises the information included in the Report and Accounts set out on pages 3 to 8 and the Trustees' responsibilities statement on page 9. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 the 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 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual 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 Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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## **Independent auditor's report (continued)**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and low volume transactions within the Foundation there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011, money laundering legislation, health and safety and employment law. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Foundation has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Foundation activities during the year;



## Independent auditor's report (continued)

to the Trustees of The Karlsson Játiva Charitable Foundation

### Auditor's responsibilities for the audit of the financial statements (continued)

- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Foundation for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 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 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 Foundation and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Rawlinson & Hunter Audit LLP*

Rawlinson & Hunter Audit LLP, Statutory Auditor

London

Date: *26 September* 2022

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Statement of financial activities

For the year ended 31 December 2021

	Notes	Unrestricted funds £	Expendable endowment £	2021 Total funds £	2020 Total funds £
<b>Income</b>					
Donations	2	12,841	-	12,841	9,168
Investment income	3	441,856	-	441,856	454,791
Interest on cash and money market funds		3	-	3	2,083
<b>Total income</b>		<b>454,700</b>	<b>-</b>	<b>454,700</b>	<b>466,042</b>
<b>Expenditures</b>					
<i>Costs of raising funds:</i>					
Investment management fee		-	166,169	166,169	155,985
<i>Expenditures on charitable activities:</i>					
Music	4	991,413	-	991,413	915,778
Poverty, health and education		1,673,245	-	1,673,245	340,451
<b>Total expenditure</b>		<b>2,664,658</b>	<b>166,169</b>	<b>2,830,827</b>	<b>1,412,214</b>
<b>Net loss before gains and losses</b>		<b>(2,209,958)</b>	<b>(166,169)</b>	<b>(2,376,127)</b>	<b>(946,172)</b>
Net gains on revaluation of investments	6	-	3,855,439	3,855,439	1,624,844
<b>Net (loss)/ income for the year</b>		<b>(2,209,958)</b>	<b>3,689,270</b>	<b>1,479,312</b>	<b>678,672</b>
<b>Transfer between funds</b>		<b>2,350,000</b>	<b>(2,350,000)</b>	<b>-</b>	<b>-</b>
Foreign exchange (losses)/gains		(3,271)	1	(3,270)	5,634
<b>Net movement in funds</b>		<b>136,771</b>	<b>1,339,271</b>	<b>1,476,042</b>	<b>684,306</b>
<b>Fund balances brought forward</b>		<b>262,061</b>	<b>30,589,048</b>	<b>30,851,109</b>	<b>30,166,803</b>
<b>Fund balances carried forward</b>		<b>398,832</b>	<b>31,928,319</b>	<b>32,327,151</b>	<b>30,851,109</b>

All income and expenditure derive from continuing activities.

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

The notes 1 to 11 on pages 17-24 form an integral part of these financial statements.



## Statement of financial position

For the year ended 31 December 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investments	6	<u>31,790,914</u>	<u>30,395,678</u>
<b>Current assets</b>			
Debtors	7	8,957	11,737
Cash and money market funds		<u>584,037</u>	<u>544,694</u>
		592,994	556,431
<b>Liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(56,757)</u>	<u>(101,000)</u>
<b>Net current assets</b>		<u>536,237</u>	<u>455,431</u>
<b>Net assets</b>		<u><u>32,327,151</u></u>	<u><u>30,851,109</u></u>
Representing:			
<b>The funds of the charity</b>			
Expendable Endowment		31,928,319	30,589,048
Unrestricted income fund		<u>398,832</u>	<u>262,061</u>
<b>Total charity funds</b>	9	<u><u>32,327,151</u></u>	<u><u>30,851,109</u></u>

The Financial Statements on pages 14 to 24 were approved and authorised for issue by the Trustees at the Trustees meeting on 26 September 2022 and were signed on behalf of the Trustees by:

Erland Karlsson, Trustee

The notes on pages 17 to 24 form an integral part of these financial statements.



## Statement of cash flows

For the year ended 31 December 2021

	2021 £	2020 £
<b><i>Cash flows from operating activities</i></b>		
Net movement in funds	1,476,042	684,306
<i>Adjustments for:</i>		
Interest and dividend income from investments	(441,856)	(454,791)
Interest from cash and money market funds	(3)	(2,083)
(Gains) on investments	(3,855,439)	(1,624,844)
Foreign exchange losses/(gains)	3,270	(5,634)
Decrease in debtors	2,780	20,340
(Decrease)/increase in creditors	(44,243)	48,615
<b><i>Cash used in operating activities</i></b>	<u>(2,859,449)</u>	<u>(1,334,091)</u>
<b><i>Cash flows from investing activities</i></b>		
Interest and dividend income from investments	441,856	454,791
Interest from cash and money market funds	3	2,083
Purchase of investments	(2,403,435)	(6,951,533)
Proceeds from sale of investments	4,863,638	7,551,639
<b><i>Cash generated from investing activities</i></b>	<u>2,902,062</u>	<u>1,056,980</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	42,613	(277,111)
<b><i>Cash and cash equivalent at the beginning of the year</i></b>	544,694	816,171
Change in cash and cash equivalent due to exchange rate movements	(3,270)	5,634
<b><i>Cash and cash equivalent at the end of the year</i></b>	<u><u>584,037</u></u>	<u><u>544,694</u></u>
<b><i>Analysis of cash and cash equivalents</i></b>		
Money market fund	329,727	285,758
Cash in brokerage accounts	204,092	142,341
Cash at bank	50,218	116,595
<b><i>Total cash and cash equivalents</i></b>	<u><u>584,037</u></u>	<u><u>544,694</u></u>

The notes on pages 17 to 24 form an integral part of these financial statements.



# Notes to the financial statements

For the year ended 31 December 2021

## 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### a) Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements have been prepared in accordance with the Charities Act 2011 and with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Karlsson Játiva Charitable Foundation (“the Foundation”) meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties surrounding the Foundation’s ability to continue as a going concern. As noted in the Trustees’ annual report, the target of the Foundation is to have unrestricted reserves of £250,000. As at 31 December 2021 the unrestricted reserves of the Foundation were £398,832 (2020: £262,061), which is in excess of the target, and hence the Trustees consider the going basis to remain appropriate.

With respect to the next reporting period, the most significant area of uncertainty that affects the reserves of the Foundation is the performance of investment markets which will determine the carrying value of the investments held by the Foundation. The significance of fixed asset investments to the ongoing financial sustainability of the Foundation is considered in the financial review, principal risks and investment policy sections of the Trustees’ annual report.

### b) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation is legally entitled to the income, it is probable that the income will be received, and the amount of income can be quantified with reasonable accuracy. Income from donations is included when any conditions for receipt have been met and there is reasonable assurance of receipt which is usually when the Foundation has control over the income. Investment income is included when receivable and the amount can be measured reliably which is usually upon notification to the Foundation from the investment manager.

### c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual’s basis. All expenses, including grants provided in support of the objects of the Foundation, overhead expenses and governance costs, are allocated or apportioned to applicable expenditure headings. Refer to note (d) below for more information on this attribution.



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## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### c) Expenditure recognition (continued)

Grants provided in support of the objects of the Foundation are payments made to institutions which are partner organisations of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Foundation.

Overhead expenses relate to the fees chargeable by the investment managers.

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to staff, rent, administration, statutory audit and legal fees.

#### d) Allocation and apportionment of expenses

Overhead expenses have been allocated to costs of raising funds.

Grants provided in support of the objects of the Foundation have been allocated to expenditure on charitable activities. Charitable activities comprise the projects operated by the partner organisations of the Foundation and are categorised by activity, as detailed in note 4.

Governance costs have been apportioned over the appropriate categories, as detailed in note 4, on the basis of the number of individual grant awards made in recognition that the administrative costs of assessing, awarding and monitoring each grant is broadly equivalent.

#### e) Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) Charitable activities

Costs of charitable activities include grants provided in support of the objects of the Foundation and governance costs. The allocation to activity of grants paid and the apportionment between activities of governance costs incurred is detailed in note 4.

#### g) Financial instruments

Investments are initially recognised at their transaction value and subsequently measured at fair value as at the Statement of Financial Position date using the closing quoted market price and closing NAV for funds. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Foundation does not acquire derivatives or other complex financial instruments.

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments such as high grade daily liquidity money market funds.



## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### h) Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### i) Provisions

Provisions for grant payments to partner organisations of the Foundation are made when the intention to make a grant has been communicated to the partner organisation but there is uncertainty about either the timing of the grant or the amount of grant payable. No provisions are made for future conditional instalments of multi-year grants where the payment of such instalment remains at the discretion of the Trustees.

#### j) Key judgements and estimates

In applying the Foundation's accounting policies, the Trustees may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the financial year.

The Trustees' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the financial year in which the estimate is revised.

The Trustees are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

### 2. Donations

Income from donations totalled £12,841 (2020: £9,168), of which £12,841 (2020: £9,168) was unrestricted and £nil (2020: £nil) was restricted as an expendable endowment.

### 3. Investment income

	2021 £	2020 £
Listed investments:		
Dividends - Non UK equities	299,844	318,180
Interest - UK fixed interest securities	17,474	15,777
Interest - Non UK fixed interest securities	124,538	104,635
Dividends - Other Investments	-	16,199
	<u>441,856</u>	<u>454,791</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 4. Analysis of expenditure on charitable activities

The Foundation undertook no direct charitable activities but awarded support grants to several institutions in furtherance of its charitable activities. The support grants are analysed below between the two categories of activity together with the allocation of governance costs incurred by the Foundation.

Charitable activity	Support Grants to Institutions £	Allocation of Governance Costs £	Total Expenditure 2021 £	Total Expenditure 2020 £
Music	937,820	53,593	991,413	915,778
Poverty, health and education	1,665,000	8,245	1,673,245	340,451
	<u>2,602,820</u>	<u>61,838</u>	<u>2,664,658</u>	<u>1,256,229</u>

	2021 £	2020 £
<b>Support grants by country</b>		
Sweden	584,348	611,173
United Kingdom	2,018,472	596,000
	<u>2,602,820</u>	<u>1,207,173</u>

	2021 £	2020 £
<b>Support grants by institution</b>		
Aurora Orchestra	50,000	50,000
Awards for Young Musicians	20,000	-
Birmingham Conservatoire	55,000	61,000
Latin American Children's Trust	1,665,000	335,000
London Music Fund	30,000	-
Music Masters	50,000	50,000
Music of Life	20,000	-
Noah's Ark Children's Hospice	50,000	50,000
ORA Choir	30,000	30,000
Royal Academy of Music	25,000	-
Signatur Foundation Sweden	584,348	611,173
The Music Works	23,472	20,000
	<u>2,602,820</u>	<u>1,207,173</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 5. Governance costs

	2021	2020
	£	£
Auditors' remuneration comprises		
- audit services	7,800	7,800
Staff costs		
- wages and salaries	15,000	15,000
- social security costs	852	863
Legal and professional fees	12,504	4,098
Imputed office rent	7,650	9,000
Accountancy	6,113	7,166
Taxation services	1,200	1,200
Bank charges and interest	628	634
Other administration	2,223	551
IT fees	7,868	2,744
	<u>61,838</u>	<u>49,056</u>

Governance costs have been apportioned to charitable activities on a pro rata basis in accordance with the number of grants awarded during the year to each of the charitable activities.

The Foundation had one employee during the year and the average headcount was one (2020: one).

### 6. Investments

	2021	2020
	£	£
Movement in fixed asset listed investments		
Opening market value	30,395,678	29,370,940
Additions at cost	2,403,435	6,951,533
Disposals at carrying value	(4,863,638)	(7,551,639)
Net gains on revaluation	3,855,439	1,624,844
Closing market value	<u>31,790,914</u>	<u>30,395,678</u>
	2021	2020
	£	£
Investments at fair value comprised		
Non UK equities	20,241,608	19,202,489
UK fixed interest securities	1,612,241	1,498,858
Non UK fixed interest securities	3,807,622	3,735,001
Other investment	6,129,443	5,959,330
	<u>31,790,914</u>	<u>30,395,678</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 6. Investments (continued)

The Trustees consider that there were no material individual investment holdings that require disclosure. All investments are traded in quoted public markets or liquid mutual funds and carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the closing price for securities and closing NAV for funds. Investment additions and disposals are recognised at the date of trade at cost, being the transaction value. These investments are accounted for at fair value through the Statement of Financial Activities.

### 7. Debtors

	2021 £	2020 £
Accrued investment income	8,957	11,737
	<u>8,957</u>	<u>11,737</u>

### 8. Creditors: amounts falling due within one year

	2021 £	2020 £
Accrued audit, tax and accounting fees	10,800	10,800
Accrued investment management fees	42,896	40,177
Accrued charitable donations	-	50,000
Other creditors	3,061	23
	<u>56,757</u>	<u>101,000</u>

There are no liabilities falling due after more than one year.

### 9. Analysis of charitable funds

	Investments £	Net current assets £	Total 2021 £	Total 2020 £
Expendable Endowment fund	31,790,914	137,405	31,928,319	30,589,048
Unrestricted income fund	-	398,832	398,832	262,061
	<u>31,790,914</u>	<u>536,237</u>	<u>32,327,151</u>	<u>30,851,109</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 10. Financial instruments

	2021 £	2020 £
Financial assets measured at fair value through income or expenditure	31,790,914	30,395,678
Financial assets measured at amortised cost	592,994	556,431
	<u>32,383,908</u>	<u>30,952,109</u>
Financial liabilities measured at amortised cost	<u>(56,757)</u>	<u>(101,000)</u>
<i>Income, expense and net gains and losses, including changes in fair value.</i>		
Gains on financial assets measured at fair value through income or expenditure	3,855,439	1,624,844
Dividend income from financial assets measured at fair value through income or expenditure	299,844	334,379
Interest income on financial assets measured at fair value through income or expenditure	142,012	120,412
Interest income on financial assets measured at amortised cost	3	2,083
	<u>4,297,298</u>	<u>2,081,718</u>

#### **Financial risk management**

##### Market risk

The Foundation's investments held at fair value are exposed to the uncertainty of investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes.

##### Credit risk

Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 11. Related party transactions

One of the Trustees, Jeremy Arnold, was an employee of Withers LLP until 3 June 2022. This does not involve any remuneration related directly to fees billed to the Foundation and no charge was made for Mr Arnold's time in his capacity as a Trustee. In accordance with the conflict of interest policy, Mr Arnold takes no part in reviewing or approving any invoices for legal services received from Withers LLP. Legal fees payable to Withers LLP incurred during the year amounted to £12,469 (2020: £4,098).

Two of the Trustees, Erland Karlsson and Rose Marie Játiva Karlsson, are also Trustees of the Latin American Children's Trust ("LACT") to which the Foundation awarded grants totalling £1,665,000 (2020: £335,000) in the financial year in furtherance of the Foundation's charitable purposes. In accordance with the conflict of interest policy, Erland Karlsson and Rose Marie Játiva Karlsson declared a conflict of loyalty and did not take part in the quorum or vote on any decisions relating to the consideration or review of the grant to LACT.

In the financial year, one of the Trustees paid fees of £5,191 (2020: £168) for office administration and IT costs, for the benefit of the Foundation. The fees will not be reimbursed by the Foundation. In the financial year, the Trust has benefited from being able to share office space with an entity under the control of one of the Trustees. The estimated rental value of £7,650 (2020: £9,000) of this benefit will not be reimbursed by the Foundation. Accordingly, these two amounts have been included within note 2.

**THE KARLSSON JATIVA CHARITABLE FOUNDATION**

England & Wales - Charity number 1168787

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# Accounts

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# **The Karlsson Játiva Charitable Foundation**

Registered Charity No. 1168787

## **Report and Accounts**

For the year ended 31 December 2020



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## Reference and administrative information

### Trustees

Martin Andersson  
Jeremy Arnold  
Rose Marie Játiva Karlsson  
Erland Karlsson  
Annika Magnusson

### Address

2<sup>nd</sup> Floor, 23 King Street  
London  
SW1Y 6QY

### Constitution

Registered Charity number 1168787  
Governed by a Trust Deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016

### Auditors

Rawlinson & Hunter Audit LLP  
Eighth Floor, 6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

### Solicitors

Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

### Investment Managers

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU



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For the year ended 31 December 2020

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## Trustees' annual report

For the year ended 31 December 2020

The Trustees present their report and audited financial statements of The Karlsson Játiva Charitable Foundation (“the Foundation”) for the year ended 31 December 2020.

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 Foundation's governing document, a trust deed dated 5 July 2016 as amended by a Deed of Amendment dated 6 December 2016 (“the Trust Deed”), the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

### Background and Objects

The Foundation was formed on 5 July 2016 by an initial settlement from Mr Erland Karlsson (the “Settlor”) and was registered by the Charity Commission (registered charity number 1168787) on 16 August 2016.

The Foundation has the power to advance any purpose which is charitable under the laws of England and Wales. The Foundation is at present operating as a grant giving trust in furtherance of its principal objects as set out in the Trust Deed, namely: “the advancement of the art of music and the education of the public in the same in the United Kingdom, Sweden and other countries across Europe; and the relief of poverty, distress and hardship and the promotion of education, health and welfare or any other exclusively charitable object in Latin America”.

### Structure, Governance and Management

The governing document of the Foundation is its Trust Deed, which provides that the power of appointing new Trustees is vested in the Founder where the Founder's powers are held by the Settlor until such time as another person or persons are appointed pursuant to the power contained in the Trust Deed. Trustees are selected for the contribution to the balance of experience they bring. Any new Trustee will be given induction and training providing him or her with a summary of how the Foundation operates and copies of relevant documentation. He or she will also be directed to the resources available on the Charity Commission website and will be given hard copies of relevant guidelines. The Trustees who held office during the financial period and up to the date of this report were:

Martin Andersson

Jeremy Arnold

Rose Marie Játiva Karlsson

Erland Karlsson

Annika Magnusson (appointed 11 February 2021)

All the Trustees give their time freely and no trustee remuneration was paid during the year.

The Trustees may delegate from time to time such of their powers of management and administration to one or more of their number or other persons as appropriate. The Trustees have adopted a Grant Making Policy, details of which are given on page 6. Grants are approved by the Trustees in a Trustees meeting or by written resolution. The Trustees have, in accordance with the Grant Making Policy, delegated authority to two of their number to take grant-funding decisions within specified limits between Trustees meetings. In addition, during the year this delegation of authority was extended to enable dynamic responsiveness to partner programme change requests necessitated by the effect of the COVID-19 pandemic on their organisations and programme work. All grants made under this delegated authority are reported to and considered by the Trustees at the following Trustees meeting.



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## Trustees' annual report (continued)

For the year ended 31 December 2020

The Trustees have furthermore delegated investment management authority to Goldman Sachs International (the "Investment Manager") in accordance with the Investment Policy Statement approved by the Trustees (see page 7). One of the Trustees has responsibility to monitor the performance of the Investment Manager on a day-to-day basis and reports back periodically to the full group of Trustees.

The Foundation had one employee for the year ended 31 December 2020 (2019: one).

### Principal Risks and Uncertainties

The Trustees have examined the major risks faced by the Foundation, including administrative, investment related, regulatory, conflict of interest, financial controls and other issues. Systems are in place to regularly monitor and control these risks and to mitigate any impact they may have on the Foundation. The main market risk to the Foundation comes from fixed asset investments. The risk lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes. Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.

The COVID-19 pandemic and government support measures in response to it have had significant impact on financial markets. The Trustees anticipate that the risk from uncertain investment markets and volatility in yield will remain elevated until the effect of the pandemic recedes and the effect of eventual withdrawal of government support measures becomes clearer.

### Public Benefit

The Trustees have had due regard to the Charity Commission guidance on public benefit when exercising any powers or duties to which the guidance is relevant. Each grant is made in furtherance of a charitable purpose that offers an identifiable benefit to the public in general or a sufficient section of the public, and any private benefit that may accrue to any person or entity as a result of a grant is incidental. The Trustees will consider whether any harm or detriment could arise from any grant, and not make the grant if any such harm or detriment could outweigh the public benefit. They consider that the detail in this report about the Foundation's grants and its purposes sufficiently identifies the benefit and beneficiaries of the Foundation's grants, in such a way as to demonstrate the Foundation's benefit to the wider public.

### Objectives

The Foundation's Objects refer expressly to (a) music in the United Kingdom, Sweden and other countries across Europe; and (b) poverty, health and education in Latin America. The Trustees are not obliged to focus their grant-making on these areas but have agreed that as a matter of policy they wish to do so at present.

With respect to Object (a) referred to in the previous paragraph, the Trustees have adopted the following Mission Statement:

*"Together with likeminded partners we aim to create a force for an improved society with the help of the unifying power of music. We want to open doors to the world of music for everyone, focusing on opportunities to those who might not otherwise have the chance to actively engage in, or have access to high quality music and music education. We seek to act as a counterbalance to the trends in society towards superficiality and intolerance, building on the innate potential of music and musicianship to unite people across ages and cultures."*



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## Trustees' annual report (continued)

For the year ended 31 December 2020

The Foundation seeks to support organisations and projects that aim, directly or indirectly, to provide access to broad qualitative music education and/or improve the opportunities for the public to enjoy high quality music. Through this work it seeks to create conditions for cultural integration through music. In addition to music, the Foundation can also support other closely related forms of performing arts such as dance, ballet or theatre.

In the United Kingdom, the Foundation prioritises grant making for exclusively charitable purposes to organisations that align at their core with our Mission Statement, i.e., those that have likeminded aims embedded in their "DNA". These may be music schools, conservatories, orchestras, choirs or other music establishments, as well as other registered charities operating in the field with similar objects. Grants will generally not be made to organisations or activities that do not align at their core with our Mission Statement.

In Sweden, the Foundation has supported the establishment of a charitable foundation with charitable objects which align with those of the Foundation as set out further under 'Activities, Achievements and Future Plans' below.

With respect to Object (b) the Trustees focus grant making to UK-registered charities that support work in Latin America, in particular in the countries of Ecuador, Colombia, Bolivia and Peru.

The specific objectives the Trustees set for this financial year were to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its aims.

### Activities, Achievements and Future Plans

Six grants were made in the field of music in the United Kingdom during the year under the umbrella of the Signatur Programme. The Trustees were able to consider a wide range of projects with potential partners. Proposals were reviewed and assessed according to how they fulfil the best interests of the Foundation and furtherance of its objects. In this financial year the Foundation has made continued grants to Music Masters (formerly London Music Masters), a charity that provides instrumental lessons to young children from diverse backgrounds, in support of a teacher training programme in order to effect change in the music education sector and to Royal Birmingham Conservatoire's initiative in local community music education - SoundLab - serving disadvantaged young people in Coventry and Birmingham.

It has made further grants to Ora Singers in support of a mentoring programme in vocal composition for young aspiring composers and its free digital educational platform providing broader assistance beyond the mentorship programme, and to Aurora Orchestra in support of their musical programme in partnership with schools and community charities with a priority of reaching children who come from disadvantaged backgrounds or have special educational needs. A further grant was also made to Noah's Ark Children's Hospice in support of their music therapy provision for seriously unwell children and their families and also for general organisational support due to the challenges presented by the pandemic to the health sector where independent actors have played an important role in supporting the NHS.

The Foundation has also made grants to The Music Works, a charity working to deliver Gloucester's first inclusive community rehearsal space and recording studio for young people in challenging circumstances, and (in early 2021) to Music of Life, a registered charity, that provides more access to music tuition for deaf school children delivered by professional musicians who in some cases are themselves deaf. For more information on the work of the Foundation in the field of music in the United Kingdom, please visit [www.signatur.org.uk](http://www.signatur.org.uk)

In order to reach beneficiaries in Sweden and the Nordic region most effectively, the Trustees concluded this was best achieved by providing the funding to a Swedish charity, that in turn would be able to distribute grants and implement projects locally. In April 2018, "Signatur – Insamlingsstiftelse för musikfrämjande" (transl. "Signatur – Fundraising Foundation for Advancement of Music", hereinafter referred to as "Signatur



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## Trustees' annual report (continued)

For the year ended 31 December 2020

Foundation Sweden”) was entered into the foundation register of the Stockholm County Administrative Board. Signatur Foundation Sweden has an independent board of directors responsible for its strategy and governance and the Foundation has provided grant funding to the charity to be applied for its operations in carrying out projects which are exclusively charitable under the laws of England and Wales.

Signatur Foundation Sweden has the main public benefit purpose of promoting, solely or exclusively, a vibrant Swedish and Nordic music life by providing access to broad qualitative music education and improving the opportunities for the public to enjoy high quality music. In particular, it intends to promote efforts to broaden the base for Swedish and Nordic music life and to further create the conditions for cultural integration through music. In addition to music, Signatur Foundation Sweden can also support other closely related forms of performing arts such as dance, ballet or theater. The object costs of Signatur Foundation Sweden were around £570,000 in 2020 funding fourteen grants (2019: around £500,000 funding nine grants). For more information on the work of Signatur Foundation Sweden, please visit [www.signatur.se](http://www.signatur.se)

The Foundation identifies all the projects it supports in the field of music, whether in the UK or Sweden, as Signatur projects using the Signatur logo. The intellectual property rights in the logo are registered to the Foundation and licensed to Signatur Foundation Sweden:

**Signatur**

*Signatur is the umbrella name  
for KJCF's work for the  
advancement of the art of music*

The Trustees extended one grant in the field of poverty, health and education in Latin America in this financial year. This grant was to the Latin American Children's Trust (“LACT”), a charity registered in England and Wales, whose charitable objects align with one of the Foundation's. LACT has been supporting charitable projects in the Andean region since 2004 and has long-standing relationships with key charitable organisations operating in the region. The grant was approved for grant-making and associated reasonable governance and overhead costs for the relief of poverty, distress and hardship and the promotion of education, health and welfare of children and other members of families with children in Latin America. The charitable expenditure of LACT was £1,024,887 in 2020 funding 16 grants (2019: £1,065,406 funding 15 grants). For further information on the work of LACT, please visit [www.lact.org.uk](http://www.lact.org.uk).

With the emergence of the COVID-19 pandemic, most (if not all) of the Foundation's grantees had to adapt their programme implementation and, in many cases, extend the time frame for conducting the activities. In the field of music in the UK and Sweden, many partners devised innovative digital solutions to deliver ongoing support to their beneficiaries whereas in the field of poverty, health and education in Latin America programmes had to be more fundamentally redesigned to better address the immediate basic needs with greater emphasis on nutrition and livelihoods. Thankfully, we were able to agree a way forward with all partners to continue to provide meaningful positive impact to the intended beneficiary populations.

Grants are made and monitored in accordance with the Grant Making Policy and other procedures adopted by the Trustees including those put in place to address programme change requests from partners necessitated by the effect of the COVID-19 pandemic. Projects are selected on the basis that they are specific with well-defined budgets, implementation plans and targets, with emphasis on projects that are likely to have a long-lasting impact and that are in accordance with the objectives of the Foundation. The Trustees may attach conditions to grants made by them. These will vary depending on the individual circumstances and the recipient, with the intention that they are sufficient in each case to satisfy the Trustees that the funds



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## Trustees' annual report (continued)

For the year ended 31 December 2020

will be applied for the purposes for which they were given. Onward grants made by Signatur Foundation Sweden and LACT are made in accordance with their respective grant making policies which contain similar provisions to those of the Foundation.

The Trustees will identify the project to be funded by the grant, or identify that the grant is expendable for the grantee's general charitable purposes. They will also require acknowledgement of the grant and seek evidence from grantee organisations that they have in place satisfactory safeguarding policies consistent with the Foundation's own Safeguarding Policy.

The specific objectives for the Foundation for next year are the same as the ones for this period, i.e. to identify, evaluate, select and conduct follow-up of suitable projects worthy of support from the Foundation consistent with its objects.

### Financial Review

Incoming resources of the Foundation comprised donations, investment and interest income. The Foundation received substantial contributions in the form of expendable endowment in 2017 and 2018 (the "Fund"). The grants provide that the Trustees shall apply the income derived from the Fund to such purposes within its charitable objects as they may determine and may, at their discretion, decide that all or any part of the Fund may be expended on such purposes. However, despite the fact that the whole of the Fund may be expended by the Trustees, it was the donor's wish that the Fund be invested to produce income on a long-term basis for charitable expenditure for the public benefit.

The Trustees have reviewed the performance of the Investment Manager and noted it achieved a return on the Fund of 6.9% in 2020 vs the agreed benchmark of 8.7% (14.5% in 2019 vs 15.3%). Inception to date the corresponding numbers were 6.0% and 7.8%. The agreed benchmark reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income and as such is aspirational as it does not account for fees or costs. The assets were, at the end of the year, invested in global equity (63%) and fixed income markets (17%) as well as alternative and other investments (20%).

Total income for the year totalled £466,042 (2019: £629,615) and total expenditure for the year totalled £1,412,214 (2019: £1,943,935) of which £1,256,229 (2019: £1,783,201) was expenditure on charitable activities.

The Foundation's funds increased to £30,851,109 as at 31 December 2020 from £30,166,803 as at 31 December 2019, which comprises the net loss before gains and losses of £946,172 (2019: £1,314,320) together with the net gain on investments of £1,624,844 (2019: £3,441,164) and foreign exchange gains of £5,634 (2019: losses of £20,338).

### Reserves Policy

In adopting its Reserves Policy, the Trustees have considered the level of unrestricted income likely to arise from the expendable endowment and their power to convert investments held in the expendable endowment fund, if necessary, into income.

They have also considered their grant-making intentions and obligations and the impact on grantee organisations were any funding obligations not to be met. They have reviewed the Foundation's operating costs and the risks to which the Foundation is exposed, particularly with regard to its investment portfolio.

Taking these factors into account, it is the Trustees' policy to retain, out of the Foundation's unrestricted income, £250,000 in reserves. This is considered sufficient in order to cover 3 months of funding requirements of current projects and potential new projects.

As at 31 December 2020, the Foundation has unrestricted reserves of £262,061 (2019: £753,175).



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## Trustees' annual report (continued)

For the year ended 31 December 2020

### Investment Policy

The Trustees, taking into account their risk tolerance, have adopted an Investment Policy Statement requiring the Investment Manager to follow an agreed upon asset allocation commensurate with being able to achieve an expected long term portfolio return of 3% plus equal measure of UK and US inflation (the "Long Term Investment Objective"). The Trustees have decided not to hedge the implied currency exposure of the global equity exposure given the long-term investment horizon, cost effectiveness, liquidity considerations and the fact that beneficiaries are located across many countries. In addition to the "Long Term Investment Objective", the portfolio performance is ongoing measured against an agreed benchmark which, as mentioned above, reflects 65% global equities as measured in GBP and 35% UK investment grade fixed income.

All assets and are held in custody by the Investment Manager.

### Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Foundation's auditor is 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 auditor is aware of that information.

### Auditors

Rawlinson & Hunter Audit LLP offers itself for reappointment as auditor in accordance with the Charities Act 2011.

### For and on behalf of the Trustees

Erland Karlsson, Trustee ...15/09/..... 2021



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## **Trustees' responsibilities statement**

**For the year ended 31 December 2020**

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019.

The law applicable to charities in England and Wales 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 Foundation at the end of the year and of its incoming resources and application of resources during that year. In preparing the financial statements, the Trustees should follow best practice and are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent auditor's report**

### **to the Trustees of The Karlsson Játiva Charitable Foundation**

#### **Opinion**

We have audited the financial statements of The Karlsson Játiva Charitable Foundation ("the Foundation") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement Cash Flows and the related notes 1 to 11. 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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Foundation's affairs as at 31 December 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation 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 Foundation'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.



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## **Independent auditor's report (continued)**

**to the Trustees of The Karlsson Játiva Charitable Foundation**

### **Other information**

The other information comprises the information included in the Report and Accounts set out on pages 3 to 8 and the Trustees' responsibilities statement on page 9. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 the 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 require us to report to you if, in our opinion:

- ▶ the information given in the Trustees' Annual 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 Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



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## **Independent auditor's report (continued)**

**to the Trustees of The Karlsson Játiva Charitable Foundation**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and minimal transactions within the Foundation there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011, money laundering legislation, health and safety and employment law. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Foundation has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Foundation activities during the year;



## Independent auditor's report (continued)

to the Trustees of The Karlsson Játiva Charitable Foundation

### Auditor's responsibilities for the audit of the financial statements (continued)

- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Foundation for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 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 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 Foundation and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Rawlinson & Hunter Audit LLP*

Rawlinson & Hunter Audit LLP, Statutory Auditor

London

Date: *15 September* 2021

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Statement of financial activities

For the year ended 31 December 2020

	Notes	Unrestricted funds £	Expendable endowment £	2020 Total funds £	2019 Total funds £
<b>Income</b>					
Donations	2	9,168	-	9,168	13,329
Investment income	3	454,791	-	454,791	611,756
Interest on cash and money market funds		2,083	-	2,083	4,530
<b>Total income</b>		<u>466,042</u>	<u>-</u>	<u>466,042</u>	<u>629,615</u>
<b>Expenditures</b>					
<i>Costs of raising funds:</i>					
Investment management fee		-	155,985	155,985	160,734
<i>Expenditures on charitable activities:</i>					
Music	4	915,778	-	915,778	774,927
Poverty, health and education		340,451	-	340,451	1,008,274
<b>Total expenditure</b>		<u>1,256,229</u>	<u>155,985</u>	<u>1,412,214</u>	<u>1,943,935</u>
<b>Net loss before gains and losses</b>		(790,187)	(155,985)	(946,172)	(1,314,320)
Net gains on revaluation of investments	6	-	1,624,844	1,624,844	3,441,164
<b>Net (loss)/ income for the year</b>		(790,187)	1,468,859	678,672	2,126,844
<b>Transfer between funds</b>		300,000	(300,000)	-	-
Foreign exchange (losses)/gains		(927)	6,561	5,634	(20,338)
<b>Net movement in funds</b>		<u>(491,114)</u>	<u>1,175,420</u>	<u>684,306</u>	<u>2,106,506</u>
<b>Fund balances brought forward</b>		<u>753,175</u>	<u>29,413,628</u>	<u>30,166,803</u>	<u>28,060,297</u>
<b>Fund balances carried forward</b>		<u>262,061</u>	<u>30,589,048</u>	<u>30,851,109</u>	<u>30,166,803</u>

All income and expenditure derive from continuing activities.

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

The notes 1 to 11 on pages 17 to 24 form an integral part of these financial statements.



## Statement of financial position

For the year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Investments	6	<u>30,395,678</u>	<u>29,370,940</u>
<b>Current assets</b>			
Debtors	7	11,737	32,077
Cash and money market funds		<u>544,694</u>	<u>816,171</u>
		556,431	848,248
<b>Liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(101,000)</u>	<u>(52,385)</u>
<b>Net current assets</b>			
		<u>455,431</u>	<u>795,863</u>
<b>Net assets</b>			
		<u>30,851,109</u>	<u>30,166,803</u>
Representing:			
<b>The funds of the charity</b>			
Expendable Endowment		30,589,048	29,413,628
Unrestricted income fund		<u>262,061</u>	<u>753,175</u>
<b>Total charity funds</b>	9	<u>30,851,109</u>	<u>30,166,803</u>

The Financial Statements on pages 14 to 24 were approved and authorised for issue by the Trustees at the Trustees meeting on 15 September 2021 and were signed on behalf of the Trustees by:

Erland Karlsson, Trustee



## Statement of cash flows

For the year ended 31 December 2020

	2020	2019
	£	£
<b><i>Cash flows from operating activities</i></b>		
Net movement in funds	684,306	2,106,506
<i>Adjustments for:</i>		
Interest and dividend income from investments	(454,791)	(611,756)
Interest from cash and money market funds	(2,083)	(4,530)
(Gains)/losses on investments	(1,624,844)	(3,441,164)
Foreign exchange (gains)/losses	(5,634)	20,338
Decrease in debtors	20,340	54,531
Increase in creditors	48,615	943
<b><i>Cash used in operating activities</i></b>	<u>(1,334,091)</u>	<u>(1,875,132)</u>
<b><i>Cash flows from investing activities</i></b>		
Interest and dividend income from investments	454,791	611,756
Interest from cash and money market funds	2,083	4,530
Purchase of investments	(6,951,533)	(2,540,038)
Proceeds from sale of investments	7,551,639	4,058,277
<b><i>Cash generated from investing activities</i></b>	<u>1,056,980</u>	<u>2,134,525</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	(277,111)	259,393
<b><i>Cash and cash equivalent at the beginning of the year</i></b>	816,171	577,116
Change in cash and cash equivalent due to exchange rate movements	5,634	(20,338)
<b><i>Cash and cash equivalent at the end of the year</i></b>	<u><u>544,694</u></u>	<u><u>816,171</u></u>
<b><i>Analysis of cash and cash equivalents</i></b>		
Money market fund	285,758	740,343
Cash in brokerage accounts	142,341	30,254
Cash at bank	116,595	45,574
<b><i>Total cash and cash equivalents</i></b>	<u><u>544,694</u></u>	<u><u>816,171</u></u>



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## Notes to the financial statements

For the year ended 31 December 2020

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements have been prepared in accordance with the Charities Act 2011 and with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Karlsson Játiva Charitable Foundation (“the Foundation”) meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties surrounding the Foundation’s ability to continue as a going concern. As noted in the Trustees’ annual report, the target of the Foundation is to have unrestricted reserves of £250,000. As at 31 December 2020 the unrestricted reserves of the Foundation were £262,061 (2019: £753,175), which is in excess of the target, and hence the Trustees consider the going basis to remain appropriate.

With respect to the next reporting period, the most significant area of uncertainty that affects the reserves of the Foundation is the performance of investment markets which will determine the carrying value of the investments held by the Foundation. The significance of fixed asset investments to the ongoing financial sustainability of the Foundation is considered in the financial review, principal risks and investment policy sections of the Trustees’ annual report.

#### b) Income recognition

All income is recognised in the Statement of Financial Activities when the Foundation is legally entitled to the income, it is probable that the income will be received, and the amount of income can be quantified with reasonable accuracy. Income from donations is included when any conditions for receipt have been met and there is reasonable assurance of receipt which is usually when the Foundation has control over the income. Investment income is included when receivable and the amount can be measured reliably which is usually upon notification to the Foundation from the investment manager.

#### c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual’s basis. All expenses, including grants provided in support of the objects of the Foundation, overhead expenses and governance costs, are allocated or apportioned to applicable expenditure headings. Refer to note (d) below for more information on this attribution.



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## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### c) Expenditure recognition (continued)

Grants provided in support of the objects of the Foundation are payments made to institutions which are partner organisations of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Foundation.

Overhead expenses relate to the fees chargeable by the investment managers.

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to staff, rent, administration, statutory audit and legal fees.

#### d) Allocation and apportionment of expenses

Overhead expenses have been allocated to costs of raising funds.

Grants provided in support of the objects of the Foundation have been allocated to expenditure on charitable activities. Charitable activities comprise the projects operated by the partner organisations of the Foundation and are categorised by activity, as detailed in note 4.

Governance costs have been apportioned over the appropriate categories, as detailed in note 4, on the basis of the number of individual grant awards made in recognition that the administrative costs of assessing, awarding and monitoring each grant is broadly equivalent.

#### e) Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### f) Charitable activities

Costs of charitable activities include grants provided in support of the objects of the Foundation and governance costs. The allocation to activity of grants paid and the apportionment between activities of governance costs incurred is detailed in note 4.

#### g) Financial instruments

Investments are initially recognised at their transaction value and subsequently measured at fair value as at the Statement of Financial Position date using the closing quoted market price and closing NAV for funds. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Foundation does not acquire derivatives or other complex financial instruments.

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments such as high grade daily liquidity money market funds.



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1. Accounting policies (continued)

#### h) Investment gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### i) Provisions

Provisions for grant payments to partner organisations of the Foundation are made when the intention to make a grant has been communicated to the partner organisation but there is uncertainty about either the timing of the grant or the amount of grant payable. No provisions are made for future conditional instalments of multi-year grants where the payment of such instalment remains at the discretion of the Trustees.

#### j) Key judgements and estimates

In applying the Foundation's accounting policies, the Trustees may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the financial year.

The Trustees' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the financial year in which the estimate is revised.

The Trustees are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

### 2. Donations

Income from donations totalled £9,168 (2019: £13,329), of which £9,168 (2019: £13,329) was unrestricted and £nil (2019: £nil) was restricted as an expendable endowment.

### 3. Investment income

	2020	2019
	£	£
Listed investments:		
Dividends - Non UK equities	318,180	408,362
Interest - UK fixed interest securities	15,777	20,450
Interest - Non UK fixed interest securities	104,635	126,401
Dividends – Other Investments	16,199	56,543
	<u>454,791</u>	<u>611,756</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 4. Analysis of expenditure on charitable activities

The Foundation undertook no direct charitable activities but awarded support grants to several institutions in furtherance of its charitable activities. The support grants are analysed below between the two categories of activity together with the allocation of governance costs incurred by the Foundation.

Charitable activity	Support Grants to Institutions £	Allocation of Governance Costs £	Total Expenditure 2020 £	Total Expenditure 2019 £
Music	872,173	43,605	915,778	774,927
Poverty, health and education	335,000	5,451	340,451	1,008,274
	<u>1,207,173</u>	<u>49,056</u>	<u>1,256,229</u>	<u>1,783,201</u>

<i>Support grants by country</i>	2020 £	2019 £
Sweden	611,173	533,556
United Kingdom	596,000	1,200,000
	<u>1,207,173</u>	<u>1,733,556</u>

<i>Support grants by institution</i>	2020 £	2019 £
Aurora Orchestra	50,000	50,000
Birmingham Conservatoire	61,000	100,000
Latin American Children's Trust	335,000	1,000,000
Music Masters	50,000	50,000
Noah's Ark Children's Hospice	50,000	-
ORA Choir	30,000	-
Signatur Foundation Sweden	611,173	533,556
The Music Works	20,000	-
	<u>1,207,173</u>	<u>1,733,556</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 5. Governance costs

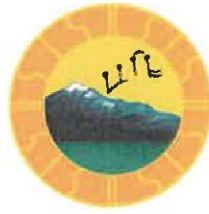
	2020	2019
	£	£
Auditors' remuneration comprises		
- audit services	7,800	6,840
Staff costs		
- wages and salaries	15,000	15,000
- social security costs	863	886
Legal and professional fees	4,098	1,747
Imputed office rent	9,000	8,066
Accountancy	7,166	5,605
Taxation services	1,200	2,400
Bank charges and interest	634	735
Other administration	551	327
IT fees	2,744	8,040
	<u>49,056</u>	<u>49,645</u>

Governance costs have been apportioned to charitable activities on a pro rata basis in accordance with the number of grants awarded during the year to each of the charitable activities.

The Foundation had one employee during the year and the average headcount was one (2019: one).

### 6. Investments

	2020	2019
	£	£
Movement in fixed asset listed investments		
Opening market value	29,370,940	27,448,015
Additions at cost	6,951,533	2,540,038
Disposals at carrying value	(7,551,639)	(4,058,277)
Net gains on revaluation	1,624,844	3,441,164
Closing market value	<u>30,395,678</u>	<u>29,370,940</u>
	2020	2019
	£	£
Investments at fair value comprised		
Non UK equities	19,202,489	18,556,270
UK fixed interest securities	1,498,858	1,862,673
Non UK fixed interest securities	3,735,001	3,233,904
Other investment	5,959,330	5,718,093
	<u>30,395,678</u>	<u>29,370,940</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 6. Investments (continued)

The Trustees consider that there were no material individual investment holdings that require disclosure. All investments are traded in quoted public markets or liquid mutual funds and carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the closing price for securities and closing NAV for funds. Investment additions and disposals are recognised at the date of trade at cost, being the transaction value. These investments are accounted for at fair value through the Statement of Financial Activities.

### 7. Debtors

	2020 £	2019 £
Accrued investment income	11,737	32,077
	<u>11,737</u>	<u>32,077</u>

### 8. Creditors: amounts falling due within one year

	2020 £	2019 £
Accrued audit, tax and accounting fees	10,800	11,540
Accrued investment management fees	40,177	40,824
Accrued charitable donations	50,000	-
Other creditors	23	21
	<u>101,000</u>	<u>52,385</u>

There are no liabilities falling due after more than one year.

### 9. Analysis of charitable funds

	Investments £	Net current assets £	Total 2020 £	Total 2019 £
Expendable Endowment fund	30,395,678	193,370	30,589,048	29,413,628
Unrestricted income fund	-	262,061	262,061	753,175
	<u>30,395,678</u>	<u>455,431</u>	<u>30,851,109</u>	<u>28,060,297</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 10. Financial instruments

	2019 £	2019 £
Financial assets measured at fair value through income or expenditure	30,395,678	29,370,940
Financial assets measured at amortised cost	<u>556,431</u>	<u>848,248</u>
	<u>30,952,109</u>	<u>30,291,188</u>
Financial liabilities measured at amortised cost	<u>(101,000)</u>	<u>(52,385)</u>
<i>Income, expense and net gains and losses, including changes in fair value.</i>		
Gains on financial assets measured at fair value through income or expenditure	1,624,844	3,441,164
Dividend income from financial assets measured at fair value through income or expenditure	334,379	464,905
Interest income on financial assets measured at fair value through income or expenditure	120,412	146,851
Interest income on financial assets measured at amortised cost	<u>2,083</u>	<u>4,530</u>
	<u>2,081,718</u>	<u>4,057,450</u>

#### ***Financial risk management***

##### Market risk

The Foundation's investments held at fair value are exposed to the uncertainty of investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes.

##### Credit risk

Credit risk on cash balances is mitigated by holding cash at mainstream financial institutions with strong credit ratings and in high grade money market funds.



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## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 11. Related party transactions

One of the Trustees, Jeremy Arnold, is an employee of Withers LLP. This does not involve any remuneration related directly to fees billed to the Foundation and no charge was made for Mr Arnold's time in his capacity as a Trustee. In accordance with the conflict of interest policy, Mr Arnold takes no part in reviewing or approving any invoices for legal services received from Withers LLP. Legal fees payable to Withers LLP incurred during the year amounted to £4,098 (2019: £1,627).

Two of the Trustees, Erland Karlsson and Rose Marie Játiva Karlsson, are also Trustees of the Latin American Children's Trust ("LACT") to which the Foundation awarded a grant of £335,000 (2019: £1,000,000) in the financial year in furtherance of the Foundation's charitable purposes. In accordance with the conflict of interest policy, Erland Karlsson and Rose Marie Játiva Karlsson declared a conflict of loyalty and did not take part in the quorum or vote on any decisions relating to the consideration or review of the grant to LACT.

In the financial year, one of the Trustees paid fees of £168 (2019: £5,263) for office administration costs, for the benefit of the Foundation. The fees will not be reimbursed by the Foundation. In the financial year, the Trust has benefited from being able to share office space with an entity under the control of one of the Trustees. The estimated rental value of £9,000 (2019: £8,066) of this benefit will not be reimbursed by the Foundation. Accordingly, these two amounts have been included within note 2.