

THE LAURENCE MODIANO CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE LAURENCE MODIANO CHARITABLE TRUST

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TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report and financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Reference and Administrative Information

Charity Number: 1172973

Principal Office

4th Floor, Broad Street House, 55 Old Broad Street, London EC2M 1RX.

Trustees

Laurence Modiano
Jon Saul Nathan
Fredrik Carstens

Independent Examiner

Julie Mellowes FCCA of
UHY Hacker Young, Quadrant House, 4 Thomas More Square, London E1W 1YW.

Investment Advisors

Alvarium Investments Limited, 10 Old Burlington Street, London, W1S 3AG.
LGT Vestra LLP, 14 Cornhill, London, EC3V 3NR.

Objectives and Activities

The object of the trust is to apply the capital and/or the income of the trust fund for such charitable purposes as the trustees in their absolute discretion think fit. During this year grants have been made to other organisations that are themselves charitable in nature.

Public Benefit

The trustees have complied with section 17(5) of the 2011 Charities Act, having due regard for the Charity Commission's guidance on public benefit when reviewing the trust's aims and objectives, when setting the grant making policy and in making awards.

Grant Making Policy

Proposals for grants are generated internally. External applications for funding are not considered.

Achievement and Performance

Grants of £303,188 (2020: £191,782) were awarded during the year.

TRUSTEES' REPORT**FOR THE YEAR ENDED 5 APRIL 2021**

Plans for the Future

The charity will continue to support charitable activity particularly in, but not limited to, the cultural sector of the arts.

Financial Review

Incoming resources of the charity for the period amounted to £45,024 (2020: £854,603).

The charity is reliant on the income generated by its investments and further donations.

Investment Policy and Performance

There are no restrictions on the trustees' power to invest. The trustees consider that investment performance is satisfactory.

Reserves Policy

The trustees' aim is to maintain free reserves in unrestricted funds at a level that will provide sufficient funds to respond to applications for grants and ensure that there are sufficient funds available to cover governance costs. As at 5 April 2021 the unrestricted fund balance amounted to £7,458,253 (2020: £5,989,934). This may be used in accordance with the charity's objectives, at the discretion of the Trustees.

Structure, Governance and Management

The trust is an unincorporated body, constituted under a trust deed dated 20 February 2017 and is a registered charity, number 1172973. The trust was established by an initial gift of £5,000 from Laurence Modiano. The trust does not actively fundraise and maintains a careful stewardship of its existing resources.

The power of appointing new or additional trustees is exercisable by the existing trustees. The trustees meet at such intervals as they consider appropriate.

The charity has no full time or part time employees or volunteers to assist in the running of the charity, the daily administration being carried out by the trustees themselves.

Risk Management

The trustees have reviewed the major risks that impact on the work of the trust. The systems that have been established enable the trustees to review and take necessary steps to lessen these risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial reporting period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

TRUSTEES' REPORT


FOR THE YEAR ENDED 5 APRIL 2021

Statement of trustees' responsibilities (continued)

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on  January 2022 and signed on their behalf by:


.....
Jon Saul Nathan
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE LAURENCE MODIANO CHARITABLE TRUST
FOR THE YEAR ENDED 5 APRIL 2021**

I report to the trustees on my examination of the accounts of The Laurence Modiano Charitable Trust for the year ended 5 April 2021, which are set out on pages 5 to 11.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Julie Mellows FCCA
UHY Hacker Young
Quadrant House
4 Thomas More Square
London E1W 1YW

Date: 28th January 2022

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

| | | 2021 | 2020 |
|--|-------------|---------------------|---------------------|
| | | Unrestricted | Unrestricted |
| | | funds | funds |
| | Note | £ | £ |
| Income and endowments from: | | | |
| Donations and legacies | 2 | - | 811,876 |
| Investment income | 3 | 45,024 | 42,727 |
| Total income | | 45,024 | 854,603 |
| Expenditure on: | | | |
| Raising funds | 4 | (9,402) | (10,452) |
| Charitable activities | 5 | (308,867) | (199,645) |
| Total expenditure | | (318,269) | (210,097) |
| Net (expenditure)/income before gains/(losses) on investments | | (273,245) | 644,506 |
| Net gains/(losses) on investments | 9 | 1,741,609 | (374,025) |
| Net (loss)/gain on foreign currency transactions | | (45) | 19,696 |
| Net movement in funds | | 1,468,319 | 290,177 |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 5,989,934 | 5,699,757 |
| Total funds carried forward | | £7,458,253 | £5,989,934 |

All recognised gains and losses have been included in the Statement of Financial Activities and are derived from the continuing activities of the Charitable Trust.


BALANCE SHEET

AS AT 5 APRIL 2021

| | Note | 2021 | | 2020 | |
|--|------|-----------------|-------------------|-----------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments at market value | 9 | | 7,529,122 | | 6,067,219 |
| Current assets | | | | | |
| Cash at bank | 10 | 13,416 | | 17,842 | |
| | | <u>13,416</u> | | <u>17,842</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(84,285)</u> | | <u>(60,127)</u> | |
| Net current (liabilities)/assets | | | <u>(70,869)</u> | | <u>(42,285)</u> |
| Total assets less current liabilities | | | 7,458,253 | | 6,024,934 |
| Creditors: amounts falling due after more than one year | 12 | | - | | (35,000) |
| Net assets | | | <u>£7,458,253</u> | | <u>£5,989,934</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | | | 7,458,253 | | 5,989,934 |
| Total funds | | | <u>£7,458,253</u> | | <u>£5,989,934</u> |

The financial statements on pages 5 to 11 were approved by the Trustees on
on their behalf by:

JSN January 2022 and are signed


.....
Jon Saul Nathan
Trustee

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies**Charity information**

The Laurence Modiano Charitable Trust is a Charitable Trust established under a Trust Deed dated 20 February 2017.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

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

These financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

All funds are unrestricted. Both the capital and income of the charity can therefore be applied at the discretion of the trustees in furtherance of the charitable objectives of the trust.

1.4 Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt (so it is probable that the income will be received) and the amount of income receivable can be measured reliably.

1.5 Expenditure recognition

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the trust.

1.6 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1.7 Charitable activities

The expenditure on charitable activities includes grants and governance costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, including all management and administrative costs.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

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

1.10 Investments

Investments are stated at market value as at the balance sheet date.

1.11 Gains and losses on investments

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 sale proceeds and their opening carrying value or their acquisition cost if acquired during the current financial period. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

| 2 Donations and legacies | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Legacies | - | 811,876 |
| | <u>£ -</u> | <u>£811,876</u> |
| 3 Investment income | 2021 £ | 2020 £ |
| Dividends and interest on listed investments | 45,023 | 41,224 |
| Interest on cash deposits | 1 | 1,503 |
| | <u>£45,024</u> | <u>£42,727</u> |
| 4 Expenditure on raising funds | 2021 £ | 2020 £ |
| Investment management fees | 9,402 | 10,452 |
| | <u>£9,402</u> | <u>£10,452</u> |
| 5 Expenditure on charitable activities | 2021 £ | 2020 £ |
| Grants awarded (see note 6) | 303,188 | 191,782 |
| Governance costs (see note 7) | 5,679 | 7,863 |
| | <u>£308,867</u> | <u>£199,645</u> |
| 6 Analysis of grants | | |
| The charity undertook no direct charitable activities but awarded grants to a number of institutions in furtherance of its charitable activities. | | |
| Grants awarded during the year: | 2021 £ | 2020 £ |
| Music and the Arts | 292,833 | 186,782 |
| Humanitarian Aid | - | 5,000 |
| Education | 10,355 | - |
| | <u>£303,188</u> | <u>£191,782</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

| 7 Governance costs | 2021 | 2020 |
|---|--------------------------|--------------------------|
| | £ | £ |
| Management and administration | | |
| Accountancy fees | 4,600 | 4,362 |
| Audit fees | - | 3,456 |
| Independent examination fees | 1,020 | - |
| Bank charges | 59 | 45 |
| | <u>£5,679</u> | <u>£7,863</u> |
| | <u><u>£5,679</u></u> | <u><u>£7,863</u></u> |
| 8 Staff costs | | |
| No staff were employed during the period by the charity, the daily administration of the charity being carried out by the trustees. | | |
| 9 Fixed asset investments | 2021 | 2020 |
| | £ | £ |
| Market value as at 5 April 2020 | 6,067,219 | 4,556,848 |
| Additions to investments at cost | 1,502,574 | 5,759,994 |
| Disposal proceeds from investments | (1,782,280) | (3,875,598) |
| Realised gain on disposal of investments | 119,271 | 1,614 |
| Unrealised gain/(loss) on revaluation of investments | 1,622,338 | (375,639) |
| | <u>£7,529,122</u> | <u>£6,067,219</u> |
| | <u><u>£7,529,122</u></u> | <u><u>£6,067,219</u></u> |
| Market value at 5 April 2021 | | |
| 10 Analysis of current assets | 2021 | 2020 |
| | £ | £ |
| Cash at bank | | |
| Alvarium Investments Limited | 3,110 | 2,309 |
| LGT Vestra LLP | 10,306 | 15,533 |
| | <u>£13,416</u> | <u>£17,842</u> |
| Total cash | <u><u>£13,416</u></u> | <u><u>£17,842</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

| 11 Creditors: amounts falling due within one year | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Accountancy fees | 7,432 | 7,062 |
| Audit fees | 3,456 | 6,756 |
| Independent examination fees | 1,020 | - |
| Investment management fees | 2,377 | 2,126 |
| Grants awarded for future payment | 70,000 | 44,183 |
| | <u>£84,285</u> | <u>£60,127</u> |

| 12 Creditors: amounts falling due after more than one year | 2021 | 2020 |
|---|-------------|---------------|
| | £ | £ |
| Grants awarded for future payment | - | 35,000 |
| | <u>£ -</u> | <u>35,000</u> |

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

14 Related party transactions

During the year the charity received a legacy of £Nil (2020: £811,876) from the Estate of Barbara Modiano, the mother of the trustee Laurence Modiano. During the year the charity awarded grants of £256,492 (2020: £154,000) to Philharmonia Limited (registered charity number 250277) of which the trustees Laurence Modiano and Jon Saul Nathan are also trustees.