

MICHAEL AND SARAH SPENCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2021

MICHAEL AND SARAH SPENCER FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2021

<u>INDEX</u>	<u>Page</u>
Reference and administrative information	1
Trustees' Report	2-4
Independent Examiner's Report	5
Statement of financial activities	6
Balance Sheet	7
Statement of cash flow	8
Notes to the Financial Statements	9-12

MICHAEL AND SARAH SPENCER FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

Register Charity Name	Michael and Sarah Spencer Foundation
Charity Number	1184658
Principal Address	3rd Floor 39 Sloane Street London SW1X 9LP
Trustees	Lord Michael Alan Spencer Lady Sarah Spencer Ms Marina Bozica Ritossa
Independent Examiner	Anthony Epton Chartered Accountants and registered auditors 75 Maygrove Road West Hampstead London NW6 2EG
Bankers	Barclays Bank PLC

MICHAEL AND SARAH SPENCER FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102- effective 1 January 2015- (Charities SORP FRS 102).

Structure, governance and management

The Governing Document is a Trust Deed dated 10 April 2019. The trustees meet quarterly to determine the general policy of the charity.

The Trustees who served the charity during the year were as follows:

Lord Michael Alan Spencer
Lady Sarah Spencer
Ms Marina Bozica Ritossa

None of the trustees have any beneficial interest in the charity.

Risk management

The trustees have assessed the major risks to which the charity is exposed. They have reviewed the ability of the charity to meet its future commitments. The trustees are satisfied that systems are in place to mitigate such risks.

Objects and activities

The objects of the charity are to further such charitable purposes which may be charitable according to the law of England and Wales and to provide support to other registered charities as the trustees in their discretion see fit from time to time in particular but not limited to:

1. The relief of sickness and preservation of health among people anywhere in the world by providing and assisting in the provision of equipment facilities and services;
2. The prevention or relief of poverty anywhere in the world by providing grants, items and services to individuals in need and to charities or other organizations working to prevent or relieve poverty;
3. For the benefit of the public to promote the education of people anywhere in the world in such ways as the trustees think fit including by the provision of grants and financial assistance to enable individuals to study at any school college or university or other education institution and assisting any charity or other institution whose aims include advancing the education of people anywhere in the world;
4. The advancement of environmental protection and improvement for the benefit of the public by the protection and conservation of animals.

MICHAEL AND SARAH SPENCER FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Grant Making policy

The Trust has established its grant making policy to achieve the Trust's objectives to support other registered charities. The Trust welcomes grant applications which are discussed in the quarterly meetings attended by all trustees.

Public Benefit

The principal activities of the charity during the year continued to be to achieve the objectives as stated above. The trustees are aware of the Charity Commission guidance on public benefit reporting as set out in Section 17 Charities Act 2011. The trustees believe that the charity achieves a public benefit.

Achievements and performance

During the year the charity has received funds which has enabled the charity to make donations in excess of £659k (2020: £12.4m) to worthy causes.

Financial review

During the year the charity received total income of £573,974 (2020: £12,513,290) and paid support costs of £3,383 (2020: £17,794) leaving a surplus of funds before grants of £570,591 (2020: £12,495,496). Of this £659,896 (2020: £12,407,147) was granted in furtherance of the charity's objectives. There was therefore a deficit of £956 (2020: surplus for the year of £88,349) which was the charity's reserves at the end of the year.

The trustees are satisfied with the results and activities during the year.

Reserves Policy

The charity's reserves policy is to create sufficient reserves to enable the charity to continue its activities and services at a meaningful level, should there be a drop in income. As all income is derived from voluntary donations, the trustees review this position on a regular basis.

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 including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 charity and of the income and expenditure of the charity for that year. In preparing these financial statements, the trustees are required to:

MICHAEL AND SARAH SPENCER FOUNDATION

TRUSTEES' REPORT

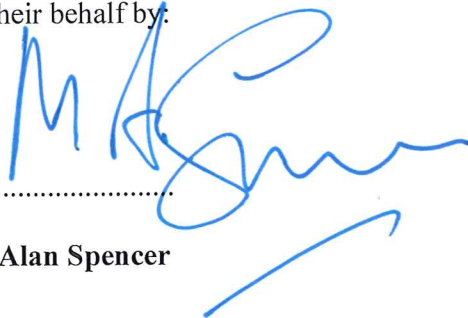
FOR THE YEAR ENDED 31 MARCH 2021

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

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

Approved by the trustees on 26th July 2021
and signed on their behalf by:



.....
Lord Michael Alan Spencer
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MICHAEL AND SARAH SPENCER FOUNDATION

I report to the trustees on my examination of the accounts of the Michael and Sarah Spencer Foundation for the year ended 31 March 2021.

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 Trust's 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 Act.

Independent examiner's statement

Since the Trust's gross income exceeded £250,000 I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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.



Anthony Epton BA FCA CTA FCIE
Goldwins
Chartered accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

26 July 2021

MICHAEL AND SARAH SPENCER FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

INCLUDING INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Income from:					
Donations	2	573,580	-	573,580	12,508,043
Investment income		394	-	394	5,247
Total income		<u>573,974</u>	<u>-</u>	<u>573,974</u>	<u>12,513,290</u>
Expenditure on:					
Charitable activities	3	663,279	-	663,279	12,424,941
Total expenditure		<u>663,279</u>	<u>-</u>	<u>663,279</u>	<u>12,424,941</u>
Net (expenditure)/income for the year		(89,305)	-	(89,305)	88,349
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(89,305)	-	(89,305)	88,349
Reconciliation of funds:					
Total funds brought forward		88,349	-	88,349	-
Total funds carried forward		<u>(956)</u>	<u>-</u>	<u>(956)</u>	<u>88,349</u>

All of the above results are derived from continuing activities.
The attached notes form part of these financial statements.

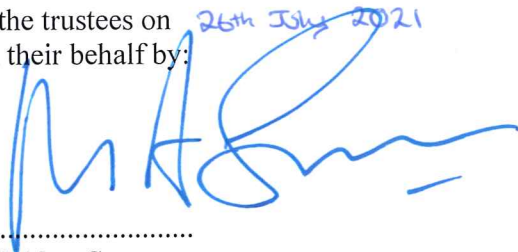
MICHAEL AND SARAH SPENCER FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Current Assets					
Cash at bank and in hand		1,844		93,749	
		<hr/>		<hr/>	
		1,844		93,749	
Creditors: amounts falling due within one year	5	(2,800)		(5,400)	
		<hr/>		<hr/>	
Net current (liabilities)/assets			(956)		88,349
Net (liabilities)/assets			<hr/> (956) <hr/>		<hr/> 88,349 <hr/>
Income funds	7				
Restricted funds			-		-
Unrestricted funds			(956)		88,349
			<hr/> (956) <hr/>		<hr/> 88,349 <hr/>

Approved by the trustees on 26th July 2021
and signed on their behalf by:



.....
Lord Michael Alan Spencer
Trustee

MICHAEL AND SARAH SPENCER FOUNDATION

CASH FLOW STATEMENT

AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Cash flows from operating activities:					
Net cash provided by / (used in) operating activities	8		(91,905)		93,749
Cash flows from investing activities:					
Sale/ (purchase) of fixed assets		-		-	
Sale/ (purchase) of investments		-		-	
Cash provided by / (used in) investing activities		-		-	
Change in cash and cash equivalents in the year			(91,905)		93,749
 Cash and cash equivalents at the beginning of the year			93,749		-
 Cash and cash equivalents at the end of the year	9		1,844		93,749

MICHAEL AND SARAH SPENCER FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

a) **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102).

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

b) **Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

d) **Interest receivable**

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

e) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) **Expenditure**

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

g) **Cash at bank and in hand**

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

MICHAEL AND SARAH SPENCER FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR 31 MARCH 2021

2.	Donations	<u>2021</u>	<u>2020</u>
		£	£
	Monetary donations	<u>573,580</u>	<u>12,508,043</u>
3.	Charitable activities	£	£
	<u>Grants to institutions:</u>		
	Worth Abbey School Development	-	6,250,000
	Corpus Christi College	-	5,000,000
	Other grants	659,896	1,157,147
		<u>659,896</u>	<u>12,407,147</u>
	<u>Support costs:</u>		
	Legal and professional	-	11,880
	Website	460	510
	Bank charges	115	8
	Foreign exchange difference	8	(4)
	Independent examination fee	2,800	-
	Audit fee	-	5,400
		<u>3,383</u>	<u>17,794</u>
	Total expenditure	<u>663,279</u>	<u>12,424,941</u>
4.	Net (expenditure)/ income for the year		
	This is stated after charging:	<u>2021</u>	<u>2020</u>
		£	£
	Audit fees	-	5,400
	Independent examination fees	<u>2,800</u>	<u>-</u>
5.	Creditors: amounts falling due within one year		
		<u>2021</u>	<u>2020</u>
		£	£
	Accruals	<u>2,800</u>	<u>5,400</u>
		<u>2,800</u>	<u>5,400</u>

MICHAEL AND SARAH SPENCER FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR 31 MARCH 2021

6. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total funds £
Net current liabilities	(956)	-	(956)
Net (liabilities)/ assets at the end of the year	(956)	-	(956)

6a. Analysis of net assets between funds (prior period)

	Unrestricted £	Restricted £	Total funds £
Net current assets	88,349	-	88,349
Net assets at the end of the period	88,349	-	88,349

7. Movements in funds

	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2021 £
Total unrestricted funds	88,349	573,974	(663,279)	-	(956)
Total funds	88,349	573,974	(663,279)	-	(956)

7a. Movements in funds (prior period)

	At the start of the period £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the period £
Total unrestricted funds	-	12,513,290	(12,424,941)	-	88,349
Total funds	-	12,513,290	(12,424,941)	-	88,349

MICHAEL AND SARAH SPENCER FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR 31 MARCH 2021

8. Reconciliation of net income /(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	(89,305)	88,349
Increase/ (decrease) in creditors	(2,600)	5,400
	-----	-----
Net cash provided by / (used in) operating activities	91,905	93,749
	=====	=====

9. Analysis of cash and cash equivalent

	1 April 2020	Cash flow	At 31 March 2021
	£	£	£
Cash at bank and in hand	93,749	(91,905)	1,844
Total cash and cash equivalent	93,749	(91,905)	1,844
	=====	=====	=====

10. Emoluments of the trustees

The trustees did not receive any remuneration during the year (2020: Nil). There were no employees in the year (2020: Nil). There were no employee benefits payments to key management personnel in the year (2020: Nil).

11. Related party transactions

Donations of £573,580 (2020:£12.5m) have been received from IPGL Limited, a wholly owned subsidiary of IPGL (Holdings) Limited. The ultimate controlling party is Lord Michael Alan Spencer by virtue of his shareholdings in IPGL (Holdings) Limited.

During 2020 a trustee also donated £5,000.

12. Taxation

The charity is exempt from income tax as all its income is charitable and is applied for charitable purposes.