

REGISTERED COMPANY NUMBER: 11504129 (England and Wales)
REGISTERED CHARITY NUMBER: 1186891

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 August 2021
for
MERKY FOUNDATION LTD

Brown McLeod Limited
Chartered Accountants
The Old Workshop
1 Ecclesall Road South
Sheffield
South Yorkshire
S11 9PA

MERKY FOUNDATION LTD

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for the Year Ended 31 August 2021**

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MERKY FOUNDATION LTD

Report of the Trustees for the Year Ended 31 August 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Merky Foundation is a project set up by UK musician, Stormzy, with the aim of giving back to the community he grew up in.

In 2018 a partnership was struck with Cambridge University to fund a scholarship programme for black UK students covering the full cost of tuition fees and provide a maintenance grant which will significantly reduce the need for awardees to take out government or commercial loans.

In 2020 the charity pledged to raise £10 million, over 10 years, for organisations, charities and movements that are committed to fighting racial inequality, justice reform and black empowerment within the UK. In 2021 the first payments for this project were made with £500,000 pledged to the Black Heart Foundation, the payments were made after the end of this financial period.

Stormzy and #Merky will forever remain devoted to improving and safeguarding the lives of those within the black community and this is just the beginning of our lifetime commitment to financially and wholeheartedly back these causes.

Significant activities

Cambridge University Scholarship

During the year the charity raised £240,000 (2020 - £140,000) as part of the scholarship programme. During 2021 a total of 13 students were granted places at Cambridge via the scholarship. We also welcomed our first pledges from third party donors and have signed a long term agreement with HSBC which will help further the objectives of the foundation. There is £100,000 held in the fund for distribution upon request from Cambridge.

Public benefit

The charity operates as a Public Benefit Entity.

STRATEGIC REPORT

Going concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Funds in deficit

At the end of the financial period the general fund was in deficit £8,342 (2020 - £2,664). The deficit is caused by sundry costs of running the charity along with upfront consultancy and computer costs in relation to generating future donations. The deficit is covered by an interest-free loan from Stormzy Ltd, a company in which trustee Mr M E K O Owuo Jr is a director. The term of the loan is indefinite and raises no impact on the charity's going concern status.

Future plans

Over the coming years, the charity intends to continue to pledge further funds into the Cambridge Scholarship programme, HSBC have entered into a three year partnership with the foundation to pledge continued support to the programme. The growth of the scholarship programme remains the main objective in helping us achieve our goals for the foreseeable future. The charity also intends to begin supporting community based projects and events in line with its ultimate goals, the first of which was held in December 2021, A Very #Merky Christmas, was organised and hosted at Fairfield Halls, Croydon for the residents of the town.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

MERKY FOUNDATION LTD

Report of the Trustees for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11504129 (England and Wales)

Registered Charity number

1186891

Registered office

The Old Workshop
1 Ecclesall Road South
Sheffield
South Yorkshire
S11 9PA

Trustees

M E K O Owuo Junior
T A Onwuka
J Roddison FCA

Independent Examiner

Kate Revell
ACA
Brown McLeod Limited
Chartered Accountants
The Old Workshop
1 Ecclesall Road South
Sheffield
South Yorkshire
S11 9PA

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30 April 2022 and signed on the board's behalf by:

J Roddison FCA - Trustee

**Independent Examiner's Report to the Trustees of
Merky Foundation Ltd**

Independent examiner's report to the trustees of Merky Foundation Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACA which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.

Kate Revell
ACA
Brown McLeod Limited
Chartered Accountants
The Old Workshop
1 Ecclesall Road South
Sheffield
South Yorkshire
S11 9PA

Date:

MERKY FOUNDATION LTD

Statement of Financial Activities
for the Year Ended 31 August 2021

	Notes	Unrestricted fund £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	20,958	740,000	760,958	140,250
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	3	24,550	-	24,550	-
		24,550	-	24,550	-
Charitable activities					
Cambridge University scholarship program	4				
Black Heart Foundation		-	140,000	140,000	140,000
		-	500,000	500,000	-
Other		2,086	-	2,086	1,486
Total		26,636	640,000	666,636	141,486
NET INCOME/(EXPENDITURE)		(5,678)	100,000	94,322	(1,236)
RECONCILIATION OF FUNDS					
Total funds brought forward		(2,664)	-	(2,664)	(1,428)
TOTAL FUNDS CARRIED FORWARD		(8,342)	100,000	91,658	(2,664)

The notes form part of these financial statements

MERKY FOUNDATION LTD

**Balance Sheet
31 August 2021**

	Notes	Unrestricted fund £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
CURRENT ASSETS					
Debtors	9	-	507,045	507,045	-
Cash at bank		23	92,955	92,978	504
		<u>23</u>	<u>600,000</u>	<u>600,023</u>	<u>504</u>
CREDITORS					
Amounts falling due within one year	10	(8,365)	(500,000)	(508,365)	(3,168)
		<u>(8,342)</u>	<u>100,000</u>	<u>91,658</u>	<u>(2,664)</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>(8,342)</u>	<u>100,000</u>	<u>91,658</u>	<u>(2,664)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>(8,342)</u>	<u>100,000</u>	<u>91,658</u>	<u>(2,664)</u>
NET ASSETS/(LIABILITIES)					
		<u>(8,342)</u>	<u>100,000</u>	<u>91,658</u>	<u>(2,664)</u>
FUNDS	11				
Unrestricted funds				(8,342)	(2,664)
Restricted funds				100,000	-
TOTAL FUNDS				<u>91,658</u>	<u>(2,664)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 30 April 2022 and were signed on its behalf by:

J Roddison FCA - Trustee

The notes form part of these financial statements

MERKY FOUNDATION LTD

**Cash Flow Statement
for the Year Ended 31 August 2021**

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>92,474</u>	<u>307</u>
Net cash provided by operating activities		<u>92,474</u>	<u>307</u>
Change in cash and cash equivalents in the reporting period		92,474	307
Cash and cash equivalents at the beginning of the reporting period		<u>504</u>	<u>197</u>
Cash and cash equivalents at the end of the reporting period		<u><u>92,978</u></u>	<u><u>504</u></u>

The notes form part of these financial statements

MERKY FOUNDATION LTD

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2021**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21	31.8.20
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	94,322	(1,236)
Adjustments for:		
Increase in debtors	(507,045)	-
Increase in creditors	505,197	1,543
	<u>92,474</u>	<u>307</u>
Net cash provided by operations	<u>92,474</u>	<u>307</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank	504	92,474	92,978
	<u>504</u>	<u>92,474</u>	<u>92,978</u>
Total	<u>504</u>	<u>92,474</u>	<u>92,978</u>

The notes form part of these financial statements

MERKY FOUNDATION LTD

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	31.8.21	31.8.20
	£	£
Donations	<u>760,958</u>	<u>140,250</u>

3. RAISING DONATIONS AND LEGACIES

	31.8.21	31.8.20
	£	£
Support costs	<u>24,550</u>	<u>-</u>

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

4. CHARITABLE ACTIVITIES COSTS

		Grant funding of activities (see note 5) £
Cambridge University scholarship program		
Black Heart Foundation		140,000
		500,000
		<u>640,000</u>

5. GRANTS PAYABLE

	31.8.21 £	31.8.20 £
Cambridge University scholarship program		
Black Heart Foundation	140,000	140,000
	500,000	-
	<u>640,000</u>	<u>140,000</u>
The total grants paid to institutions during the year was as follows:		
	31.8.21 £	31.8.20 £
Black Heart Foundation		
	500,000	-
Cambridge Scholarship	140,000	-
	<u>640,000</u>	<u>-</u>

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

6. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Raising donations and legacies	-	-	24,550	-	24,550
Other resources expended	45	481	-	1,560	2,086
	<u>45</u>	<u>481</u>	<u>24,550</u>	<u>1,560</u>	<u>26,636</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	250	140,000	140,250
EXPENDITURE ON			
Charitable activities			
Cambridge University scholarship program	-	140,000	140,000
Other	1,486	-	1,486
Total	<u>1,486</u>	<u>140,000</u>	<u>141,486</u>
NET INCOME/(EXPENDITURE)	<u>(1,236)</u>	<u>-</u>	<u>(1,236)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>(1,428)</u>	<u>-</u>	<u>(1,428)</u>
TOTAL FUNDS CARRIED FORWARD	<u>(2,664)</u>	<u>-</u>	<u>(2,664)</u>

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Other debtors	507,045	-

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Other creditors	507,045	2,208
Accrued expenses	1,320	960
	508,365	3,168

11. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	(2,664)	(5,678)	(8,342)
Restricted funds			
Cambridge University Scholarship fund	-	100,000	100,000
TOTAL FUNDS	(2,664)	94,322	91,658

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	20,958	(26,636)	(5,678)
Restricted funds			
Cambridge University Scholarship fund	240,000	(140,000)	100,000
Black Heart Foundation	500,000	(500,000)	-
	740,000	(640,000)	100,000
TOTAL FUNDS	760,958	(666,636)	94,322

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	(1,428)	(1,236)	(2,664)
TOTAL FUNDS	<u>(1,428)</u>	<u>(1,236)</u>	<u>(2,664)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	250	(1,486)	(1,236)
Restricted funds			
Cambridge University Scholarship fund	140,000	(140,000)	-
TOTAL FUNDS	<u>140,250</u>	<u>(141,486)</u>	<u>(1,236)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	(1,428)	(6,914)	(8,342)
Restricted funds			
Cambridge University Scholarship fund	-	100,000	100,000
TOTAL FUNDS	<u>(1,428)</u>	<u>93,086</u>	<u>91,658</u>

MERKY FOUNDATION LTD

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2021**

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	21,208	(28,122)	(6,914)
Restricted funds			
Cambridge University Scholarship fund	380,000	(280,000)	100,000
Black Heart Foundation			
	500,000	(500,000)	-
	<u>880,000</u>	<u>(780,000)</u>	<u>100,000</u>
TOTAL FUNDS	<u>901,208</u>	<u>(808,122)</u>	<u>93,086</u>

12. RELATED PARTY DISCLOSURES

M E K O Owuo Junior

At the year ended 31/08/2021 the general fund of the charity owed £7,045 (2020 - £3,168) to Stormzy Ltd, a company in which M E K O Owuo Junior is a director. The loan is interest free and has an indefinite term, Stormzy Ltd has pledged to continue offering cash flow support to the charity. Stormzy Ltd owes £7,045 (2020 - £Nil) to the Cambridge Scholarship fund, the net effect of the loans is £Nil.

During the year Stormzy Ltd donated £140,000 (2020 - £140,000) to the Cambridge University scholarship fund, £400,000 (2020 - £Nil) to the Black Heart Foundation fund and a further £20,958 (2020 - £Nil) to the general fund.

At the end of the year Stormzy Ltd owed the charity £400,000 (2020 - £Nil) in relation to the first instalment pledged to the Black Heart Foundation. The amount is shown in other debtors and was received after the end of the financial year.

T A Onwuka

During the year Hashtag Merky Management Ltd, a company in which T A Onwuka is a director, donated £100,000 (2020 - £Nil) to the Black Heart Foundation fund.

At the end of the year Hashtag Merky Management Ltd owed the charity £100,000 (2020 - £Nil) in relation to the first instalment pledged to the Black Heart Foundation. The amount is shown in other debtors and was received after the end of the financial year.

MERKY FOUNDATION LTD

**Detailed Statement of Financial Activities
for the Year Ended 31 August 2021**

	31.8.21 £	31.8.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	760,958	140,250
Total incoming resources	760,958	140,250
EXPENDITURE		
Charitable activities		
Grants to institutions	640,000	140,000
Support costs		
Management		
Sundries	45	45
Finance		
Bank charges	481	481
Information technology		
Consultancy fees	23,300	-
Computer costs	1,250	-
	24,550	-
Governance costs		
Accountancy and legal fees	1,560	960
Total resources expended	666,636	141,486
Net income/(expenditure)	94,322	(1,236)

This page does not form part of the statutory financial statements