

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 2022
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 2022**

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MERKY FOUNDATION LTD

Report of the Trustees for the Year Ended 31 August 2022

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 2022. 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,

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 £780,000 (2021 - £140,000) as part of the scholarship programme. 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 £20,000 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 no funds were in deficit (2021 - £8,342). The prior year deficit was caused by sundry costs of running the charity along with upfront consultancy and computer costs in relation to generating future donations. The deficit, and any future 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 will also continue 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.

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

MERKY FOUNDATION LTD

**Report of the Trustees
for the Year Ended 31 August 2022**

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
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 26 May 2023 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 2022.

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 member of the Institute of Chartered Accountants in England and Wales, 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

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 2022

	Notes	Unrestricted fund £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	<u>76,904</u>	<u>739,500</u>	<u>816,404</u>	<u>760,958</u>
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	3	40,771	-	40,771	24,550
Other trading activities	4	<u>-</u>	<u>39,500</u>	<u>39,500</u>	<u>-</u>
		40,771	39,500	80,271	24,550
Charitable activities	5				
Cambridge University scholarship program					
		-	780,000	780,000	140,000
Black Heart Foundation					
		-	-	-	500,000
Other		<u>540</u>	<u>-</u>	<u>540</u>	<u>2,086</u>
Total		<u>41,311</u>	<u>819,500</u>	<u>860,811</u>	<u>666,636</u>
NET INCOME/(EXPENDITURE)		35,593	(80,000)	(44,407)	94,322
RECONCILIATION OF FUNDS					
Total funds brought forward		(8,342)	100,000	91,658	(2,664)
TOTAL FUNDS CARRIED FORWARD		<u>27,251</u>	<u>20,000</u>	<u>47,251</u>	<u>91,658</u>

The notes form part of these financial statements

MERKY FOUNDATION LTD

**Balance Sheet
31 August 2022**

	Notes	Unrestricted fund £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
CURRENT ASSETS					
Debtors	10	-	-	-	507,045
Cash at bank		<u>28,931</u>	<u>420,000</u>	<u>448,931</u>	<u>92,978</u>
		28,931	420,000	448,931	600,023
CREDITORS					
Amounts falling due within one year	11	<u>(1,680)</u>	<u>(400,000)</u>	<u>(401,680)</u>	<u>(508,365)</u>
NET CURRENT ASSETS		<u>27,251</u>	<u>20,000</u>	<u>47,251</u>	<u>91,658</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,251	20,000	47,251	91,658
NET ASSETS/(LIABILITIES)		<u>27,251</u>	<u>20,000</u>	<u>47,251</u>	<u>91,658</u>
FUNDS	12				
Unrestricted funds				27,251	(8,342)
Restricted funds				<u>20,000</u>	<u>100,000</u>
TOTAL FUNDS				<u>47,251</u>	<u>91,658</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2022 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 26 May 2023 and were signed on its behalf by:

J Roddison FCA - Trustee

MERKY FOUNDATION LTD

**Cash Flow Statement
for the Year Ended 31 August 2022**

	Notes	31.8.22 £	31.8.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>355,953</u>	<u>92,474</u>
Net cash provided by operating activities		<u>355,953</u>	<u>92,474</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		355,953	92,474
Cash and cash equivalents at the beginning of the reporting period		<u>92,978</u>	<u>504</u>
Cash and cash equivalents at the end of the reporting period		<u><u>448,931</u></u>	<u><u>92,978</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 2022**

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

	31.8.22	31.8.21
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(44,407)	94,322
Adjustments for:		
Decrease/(increase) in debtors	507,045	(507,045)
(Decrease)/increase in creditors	(106,685)	505,197
Net cash provided by operations	355,953	92,474

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank	92,978	355,953	448,931
	92,978	355,953	448,931
Total	92,978	355,953	448,931

MERKY FOUNDATION LTD

**Notes to the Financial Statements
for the Year Ended 31 August 2022**

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

	31.8.22	31.8.21
	£	£
Donations	816,404	760,958
	<u><u> </u></u>	<u><u> </u></u>

3. RAISING DONATIONS AND LEGACIES

	31.8.22	31.8.21
	£	£
Support costs	40,771	24,550
	<u><u> </u></u>	<u><u> </u></u>

4. OTHER TRADING ACTIVITIES

	31.8.22	31.8.21
	£	£
Direct costs	39,500	-
	<u><u> </u></u>	<u><u> </u></u>

MERKY FOUNDATION LTD

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

5. CHARITABLE ACTIVITIES COSTS

		Grant funding of activities (see note 6) £
Cambridge University scholarship program		
		780,000

6. GRANTS PAYABLE

	31.8.22	31.8.21
	£	£
Cambridge University scholarship program		
	780,000	140,000
Black Heart Foundation		
	-	500,000
	780,000	640,000
The total grants paid to institutions during the year was as follows:		
	31.8.22	31.8.21
	£	£
Black Heart Foundation		
	-	500,000
Cambridge Scholarship	380,000	140,000
	380,000	640,000

7. SUPPORT COSTS

	Management £	Finance £	Information technology £	Governance costs £	Totals £
Raising donations and legacies	-	-	15,209	25,562	40,771
Other resources expended	45	495	-	-	540
	45	495	15,209	25,562	41,311

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	20,958	740,000	760,958
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	24,550	-	24,550
	24,550	-	24,550
Charitable activities			
Cambridge University scholarship program	-	140,000	140,000

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Black Heart Foundation	-	500,000	500,000
Other	2,086	-	2,086
Total	26,636	640,000	666,636
NET INCOME/(EXPENDITURE)	(5,678)	100,000	94,322
RECONCILIATION OF FUNDS			
Total funds brought forward	(2,664)	-	(2,664)
TOTAL FUNDS CARRIED FORWARD	(8,342)	100,000	91,658

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Other debtors	-	507,045

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade creditors	400,000	-
Other creditors	-	507,045
Accrued expenses	1,680	1,320
	401,680	508,365

12. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	(8,342)	35,593	27,251
Restricted funds			
Cambridge University Scholarship fund	100,000	(80,000)	20,000
TOTAL FUNDS	91,658	(44,407)	47,251

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	76,904	(41,311)	35,593
Restricted funds			
Cambridge University Scholarship fund	700,000	(780,000)	(80,000)
Merky Christmas event	39,500	(39,500)	-
	739,500	(819,500)	(80,000)
TOTAL FUNDS	816,404	(860,811)	(44,407)

MERKY FOUNDATION LTD

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

12. MOVEMENT IN FUNDS - continued

Comparatives for 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	<u>(2,664)</u>	<u>94,322</u>	<u>91,658</u>

Comparative 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)	-
	<u>740,000</u>	<u>(640,000)</u>	<u>100,000</u>
TOTAL FUNDS	<u>760,958</u>	<u>(666,636)</u>	<u>94,322</u>

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

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	(2,664)	29,915	27,251
Restricted funds			
Cambridge University Scholarship fund	-	20,000	20,000
TOTAL FUNDS	<u>(2,664)</u>	<u>49,915</u>	<u>47,251</u>

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	97,862	(67,947)	29,915
Restricted funds			
Cambridge University Scholarship fund	940,000	(920,000)	20,000
Black Heart Foundation			
	500,000	(500,000)	-
Merky Christmas event	39,500	(39,500)	-
	<u>1,479,500</u>	<u>(1,459,500)</u>	<u>20,000</u>
TOTAL FUNDS	<u>1,577,362</u>	<u>(1,527,447)</u>	<u>49,915</u>

MERKY FOUNDATION LTD

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

13. RELATED PARTY DISCLOSURES

M E K O Owuo Junior

During the year Stormzy Ltd donated £50,000 (2021 - £140,000) to the Cambridge University scholarship fund and a further £20,748 (2021 - £20,958) to the general fund.

During the year Stormzy Ltd paid the charity £400,000 in relation to the first instalment pledged to the Black Heart Foundation. The amount was included in the prior year accounts as a debtor.

There are no outstanding amounts due to or from Stormzy Ltd.

T A Onwuka

During the year Hashtag Merky Management Ltd, a company in which T A Onwuka is a director, paid £100,000 to the Black Heart Foundation fund, this was included in the prior year accounts as a debtor.

There are no outstanding amounts due to or from Hashtag Merky Management Ltd.

MERKY FOUNDATION LTD

Detailed Statement of Financial Activities
for the Year Ended 31 August 2022

	31.8.22 £	31.8.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	816,404	760,958
Total incoming resources	816,404	760,958
EXPENDITURE		
Other trading activities		
Charitable event costs	39,500	-
Charitable activities		
Grants to institutions	780,000	640,000
Support costs		
Management		
Sundries	45	45
Finance		
Bank charges	495	481
Information technology		
Consultancy fees	12,750	23,300
Computer costs	2,459	1,250
	15,209	24,550
Governance costs		
Accountancy	1,560	1,560
Legal fees	24,002	-
	25,562	1,560
Total resources expended	860,811	666,636
Net (expenditure)/income	(44,407)	94,322