

The Morpheus Foundation

Charity registration no. 1193704

Trustees' report and financial statements

For the period from registration to 5 April 2022

The Morpheus Foundation

Legal and administrative information

Trustees	Laura Holtzhausen Alexander Acloque Henrietta Winand
Charity number	1193704
Principal address	45 Gresham Street London EC7V 7BG
Accountants	Evelyn Partners LLP Accountants Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG
Auditors	Fletcher & Partners Chartered Accountants and statutory auditors Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
Investment managers	Evelyn Partners Investment Management LLP 45 Gresham Street London EC2V 7BG

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Trustees' report for the period ended 5 April 2022

The trustees present their report and financial statements for the thirteen months from 5 March 2021 to 5 April 2022

The financial statements have been prepared in accordance with the accounting policies set out on in note 1 to the financial statements and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Activities, specific objects and relevant policies

Objects and activities

The charitable objects of the foundation are to further such exclusively charitable purposes (which are charitable under the law of England and Wales) as the trustees see fit from time to time in particular by awarding grants.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and, when reviewing the charity's aims and objects, managing the foundation's assets and considering any applications for financial assistance.

Investment policy

The charity's assets have been invested with an aim to generate sufficient income to support the charity's activities, with investments managed on a risk averse basis.

The trustees regularly review the performance of all the charity's assets and the investment criteria will be regularly discussed by the trustees, with assistance from the investment advisors. The trustees are satisfied with the performance of the investment portfolio.

During the period the main sources of funding was donations from the trustees and investment income, arising from the portfolio of investments held at Evelyn Partners Investment Management LLP.

The charity has a portfolio of listed investments that had a market value of £2,886,522 at 5 April 2022.

Achievements and performance

Grants

During the period ended 5 April 2022, the trustees made no grants.

Related parties

During the period, non-cash donations of £1,000,000 were received from each of the three trustees.

Financial review

Results for the period

The financial activities are summarised on page 7 of the financial statements. During the period, the charity received net income, before net gains on investments, of £3,018,601.

Reserves policy

The trustees have reviewed the reserves of the foundation and the forecast level of free reserves (those that are not restricted or designated) that will provide the foundation with financial flexibility and provide a cushion against shortfalls in income, either planned or unanticipated. The level of free reserves at 5 April 2022 was £3,110,270. The trustees consider this level of free reserves satisfactory to meet annual donations to charities.

The Morpheus Foundation

Trustees' report for the period ended 5 April 2022

Plans for the future

The trustees will begin to make distributions to charities in England and Wales and elsewhere.

Governance, structure and management

Governance

The CIO was established on 5 March 2021 and is registered with the Charity Commission, Charity Registration Number 1193704.

The trustees who served during the period were:

Laura Holtzhausen

Alexander Acloque

Henrietta Winand

Apart from the first charity trustees, every trustee must be appointed by a resolution at a properly convened meeting of the charity trustees.

In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The charity trustees will make available to each new charity trustee a copy of the current version of this constitution and a copy of the CIO's latest Trustees' annual report and financial statements.

All decisions affecting the management of the foundation and its assets are taken by the trustees jointly.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They are in regular and frequent contact to review the developments with regard to the charity, its activities and to make any important decisions. The trustees review the proposals for grants to be made and approve such grants as appropriate. When necessary, the trustees seek advice and support from the charity's professional advisors including investment managers and accountants.

Risk factors

The trustees have examined the major risks to which the foundation is exposed and confirm that systems have been established to enable steps to be taken to lessen these risks.

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Trustees' report for the period ended 5 April 2022

Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable laws and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any 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 proper accounting records which are sufficient to show and explain the charity's transactions and 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 Charities (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.

On behalf of the board of trustees


Alex Acloque (Jan 31, 2023 20:30 GMT)

Trustee

Date: 31/01/2023

The Morpheus Foundation

Independent auditors' report to the trustees of The Morpheus Foundation

We have audited the financial statements of the Morpheus Foundation (the "charity") for the period ended 5 April 2022 which comprise the Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

Opinion

In our opinion the consolidated financial statements:

- i) give a true and fair view of the state of the affairs of the charity as at 5 April 2022 and of its total income and expenditure, for the period then ended;
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- iii) 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. We are independent of the charity 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 trustee's use of 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 charity'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 trustee's with respect to going concern are described in the "The Trustee's Responsibility Statement" of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee's Annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent auditors' report to the trustees of The Morpheus Foundation

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- (i) the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements;
- (ii) sufficient accounting records have not been kept;
- (iii) the financial statements are not in agreement with the accounting records and returns; or
- (iv) we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustee's responsibility statement, set out on page 3, 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 charity'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 the trustees either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 on the basis of 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations and they remained alert to instances of non-compliance throughout the audit;

We identified the legal and regulatory requirements applicable to the charity through discussions with those charged with governance and management, and from our knowledge and experience of the Charity sector; and

We ensured that the laws and regulations which we identified were communicated to the engagement team and that they remained alert to instances of non-compliance throughout the audit.

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Independent auditors' report to the trustees of The Morpheus Foundation

We assessed the susceptibility of the charity's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their assessment of the risk of fraud and their knowledge of actual, suspected or alleged; and
- considering the effectiveness of internal controls to mitigate the risks of fraud and non-compliance with laws and regulations.

We addressed the risk of fraud through management bias and the over-ride of controls by assessing whether judgements and assumptions made by management were indicative of potential bias and by investigating the rationale behind significant or unusual transactions. In order to address the risk of irregularities we carried out procedures which included agreeing the financial statements to underlying documentation and enquiring of management as to actual and potential litigation and instances of non-compliance.

We obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate to our audit objectives, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.

There are inherent limitations in these audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would be aware of non-compliance. Auditing standards also limit the procedures required to identify non-compliance to enquiry of management and inspection of relevant correspondence. Furthermore misstatements due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [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 charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's 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 Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fletcher & Partners
[Fletcher & Partners \(Feb 1, 2023 15:51 GMT\)](#)

Fletcher & Partners

Chartered Accountants and statutory auditors
Crown Chambers
Bridge Street
Salisbury
Wiltshire
SP1 2LZ

Date: 01/02/2023

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities for the period ended 5 April 2022

	Notes	2022 £
Income:		
Investment income		33,566
Donations received		3,000,000
Total income		3,033,566
Expenditure:		
Raising funds		9,265
Charitable activities - support costs	2	5,700
Total expenditure		14,965
Net income before gains and losses on investments		3,018,601
Gains on investments		91,669
Net movement in funds		3,110,270
Total reconciliation of funds:		
Total funds brought forward		-
Total funds carried forward		3,110,270

All income and expenditure derives from continuing activities.

The notes on pages 10 to 12 form part of the financial statements.

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Balance sheet as at 5 April 2022

	Notes	£	2022 £
Fixed assets			
Investments	5		2,886,522
Current assets			
Cash at bank and in hand		231,982	
Creditors: amounts falling due within one year	6	(8,234)	
Net current assets			223,748
Net assets			3,110,270
Income funds			
Unrestricted funds			3,110,270
			3,110,270

The financial statements were approved by the board, authorised for issue and signed on their behalf by:


Alex Acloque (Jan 31, 2023, 17:30 GMT)

Trustee

Date: 31/01/2023

The notes on pages 10 to 12 form part of the financial statements.

The Morpheus Foundation

Cash flow statement for the period ended 5 April 2022

	Notes	2022 £
Net cash inflow from operating activities	8	(6,731)
Cash flows from investing activities		
Cash purchase of investments		(2,842,658)
Receipts from sales of investments		3,047,805
Investment income		33,566
Increase in cash		231,982
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		231,982

Analysis of net funds

	At 5 March 2021	Cash flows	At 5 April 2022
Cash at bank and in hand	-	231,982	231,982

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Notes to the financial statements for the period ended 5 April 2022

1 Accounting policies

1.1 General information

The Morpheus Foundation was established as a charity by a deed dated 5 March 2021. It is registered with the Charity Commission in England & Wales (No. 1193704). The address of the principal office is 45 Gresham Street, London, EC7V 7BG.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (effective 1 January 2019). The financial statements are also prepared in accordance with the Charities Act 2011.

The charity is a public benefit entity as defined by FRS 102.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value.

The financial statements are prepared on a going concern basis; there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Income

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and recognised where there is a legal or constructive obligation committing the trustees to the expenditure. It has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

1.5 Investments

Investments are initially recognised at their transaction value and subsequently measured at fair value. Investments are stated at market value at the balance sheet date. Realised gains and losses on investments, calculated on the difference between the sale proceeds and their cost, are credited or charged to the statement of financial activities in the year of the gain or loss.

Unrealised gains and losses representing the movement in the market values during the year are credited or charged to the statement of financial activities in the year of the gain or loss.

1.6 Fund accounting

All funds held - including the donation received during the period - are unrestricted and are therefore available for use at the discretion of the trustees in furtherance of the general objects of the trust and which have not been designated for other purposes.

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Notes to the financial statements for the period ended 5 April 2022

2 Support costs

	2022 £
Accountancy fees	3,300
Independent auditor's fees	2,400
	<u>5,700</u>

All support costs are considered to be costs of governance.

3 Trustees

None of the trustees (or any persons connected with them) received any remuneration or were reimbursed for any expenses during the period.

4 Employees

There were no employees during the period.

5 Investments

	2022 £
Cost at 5 March 2021	-
Additions	5,842,658
Disposals	(3,003,321)
	<u>2,839,337</u>
Cost at 5 April 2022	2,839,337
Unrealised appreciation	47,185
	<u>2,886,522</u>
Market value at 5 April 2022	2,886,522

6 Creditors: amounts falling due within one year

	2022 £
Accruals	8,234
	<u>8,234</u>

7 Related parties

During the period, non-cash donations of £1,000,000 were received from each of the three trustees.

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Notes to the financial statements for the period ended 5 April 2022

8 Net cash flows from operating activities

	2022
	£
Net movement in funds (as per the statement of financial activities)	3,110,270
Non-cash donations received	(3,000,000)
Investment income	(33,566)
Gains on investments	(91,669)
Increase in creditors	8,234
	(6,731)