

THE ALCHEMY FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

CHARITY NUMBER: 292500

Contents

Page:

1	Introduction
2-3	Trustees' report
4	Statement of trustees' responsibilities
5	Independent examiner's report
6	Statement of Comprehensive Income
7	Statement of Financial Position
8	Statement of Cash Flow
9-12	Notes to the accounts

The Alchemy Foundation Introduction

Trustees

Alex Armitage
Tony Elias
Andrew Murison
Caroline Pedley
Lady Annabel M Stilgoe OBE
Holly J M Stilgoe
Jack E Z Stilgoe
Dr Jemima R Stilgoe
Joseph R I Stilgoe
Sir Richard H Z S Stilgoe OBE
Rufus N A Stilgoe

Charity number

292500

Principal address

Trevereux Manor
Limpsfield Chart
Oxted
Surrey
RH8 0TL

Accountants

McKenzies
Chartered Accountants
2 Station Road West
Oxted
Surrey
RH8 9EP

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

TWM Solicitors LLP
40 West Street
Reigate
Surrey
RH2 9BT

Investment advisers

Cazenove Capital Management Ltd
12 Moorgate
London
EC2R 6DA

The Alchemy Foundation

Report of the trustees for the year ended 5 April 2023

The trustees present their report and accounts for the year ended 5 April 2023.

Structure, Governance and Management

The charity was established, as The Starlight Foundation, by a charitable trust deed on 14 August 1985 under charity number 292500. The name was changed to The Alchemy Foundation on 2 June 1987.

The trustees who have served during the year and since the year end are set out below. Trustees meet as required to discuss the charity. Richard, Rufus and Holly Stilgoe, who are trustees, run the day to day activities of the charity.

The trustees who served during the year were:

Alex Armitage
Tony Elias
Andrew Murison
Caroline Pedley
Lady Annabel M Stilgoe OBE
Holly J M Stilgoe
Jack E Z Stilgoe
Dr Jemima R Stilgoe
Joseph R I Stilgoe
Sir Richard H Z S Stilgoe OBE
Rufus N A Stilgoe

Trustees may serve indefinitely and new trustees may be co-opted by existing trustees. All trustees are advised of their responsibilities under charity law.

Related parties

The Alchemy Foundation is connected to another charity, The Orpheus Centre Trust, with which it co-operates in the pursuit of its charitable objectives.

Risk factors

The trustees make regular reviews of the risks which the charity faces.

The most significant risks facing the charity are:

- (a) Continuing reduction in royalties assigned by Sir Richard Stilgoe
- (b) A reduction in the value of the investments

No influence can be exercised over the first of these. Secondly, a portion of all investments is in the form of prime fixed interest quoted securities thereby being subject to minimal risk as to their value.

Objectives and Public Benefits of the charity

The charity's objects are particularly focused on The Alchemist Scheme (funding the costs of fundraisers assigned to other charities to assist with their fundraising efforts), water projects in the developing world, disability (particularly mobility, access, helplines and communications), social welfare (inner city community projects, disaffected youth, family mediation, homelessness), personal reform, penal reform (work with prisoners, especially young prisoners, and their families), medical research and aid (especially in areas of blindness and disfigurement), individual enterprise (by helping Raleigh International, Project Trust and similar organisations to give opportunities to young people according to need) and respite for carers.

Under the terms of the trust deed, the trustees have power to invest monies of the Foundation in any investments they deem fit, to accumulate income and to convert income into capital.

The Alchemy Foundation

Report of the trustees for the year ended 5 April 2023

Review of activities

In furtherance of the charity's objectives, the Foundation made 128 donations during the year.

The grant-making policy of the Foundation has been to support a variety of good causes, with special emphasis on The Alchemist Scheme whereby the Foundation supported the costs of fundraisers at, amongst others, Surrey Care Trust, Youth Music and Wateraid.

The Foundation's income comes from royalties from musicals running outside the United Kingdom. Total income has increased by £1,170,465 during the year.

The investment policy of the Foundation has been to take moderate risk.

The Foundation has no employees and therefore no employee costs were incurred during the year.

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

Financial review

During the year, incoming resources of £1,221,110 were received and £191,017 was expended. The net current assets at the end of year amounted to £1,997,058.

Reserves

Reserves are held with the expectation that the Foundation's main source of income, royalties assigned by Richard Stilgoe, will eventually fall. The reserves amounted to £1,997,058 at 5 April 2023.

Sir Richard H Z S Stilgoe OBE
Trustee

18 October 2023

The Alchemy Foundation Trustees' responsibilities

Law applicable to charities in England and Wales require the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payment basis).

In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state where applicable accounting standards and statements of recommended practice 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

Independent examiner's report to the trustees of The Alchemy Foundation

I report on the accounts of the Trust for the year ended 5 April 2023, which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Colin McCoy
Chartered Accountant

2 Station Road West
Oxted, Surrey RH8 9EP
18 October 2023

The Alchemy Foundation
Statement of Comprehensive Income
for the year ended 5 April 2023

	Notes	2023 £	2022 £
<u>Incoming resources</u>			
Incoming resources from generated funds:			
Voluntary income	2	1,214,183	49,946
Investment income	3	6,927	699
		<hr/>	<hr/>
Total incoming resources		1,221,110	50,645
		<hr/>	<hr/>
<u>Resources expended</u>			
Charitable activities:			
Grants payable	4	189,625	268,620
Management and administration		342	-
Governance costs		1,050	1,050
		<hr/>	<hr/>
Total resources expended	5	191,017	269,670
		<hr/>	<hr/>
Net outgoing resources before other recognised gains and losses		1,030,093	(219,025)
Movement on investment assets	9	(28,493)	37,369
		<hr/>	<hr/>
Net movement in funds		1,001,600	(181,656)
Reconciliation of funds:			
Total funds brought forward at 6 April 2022		995,458	1,177,114
		<hr/>	<hr/>
Total funds carried forward at 5 April 2023		1,997,058	995,458
		<hr/>	<hr/>

The Alchemy Foundation
Statement of Financial Position at 5 April 2023

	Notes	2023 £	2022 £
Assets			
Debtors: amounts falling due with one year	8	463,495	5,826
Investments	9	882,911	714,871
Cash at bank		778,482	287,506
		<hr/>	<hr/>
		2,124,888	1,008,203
Creditors: amounts falling due within one year	10	(127,830)	(12,745)
		<hr/>	<hr/>
Total assets less current liabilities		1,997,058	995,458
		<hr/>	<hr/>
Income funds			
Unrestricted funds		1,997,058	995,458
		<hr/>	<hr/>

The accounts were approved by the Trustees on 18 October 2023.

Sir Richard H Z S Stilgoe OBE
Trustee

Tony Elias
Trustee

THE ALCHEMY FOUNDATION
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 5 APRIL 2023

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operational activities</u>		
Net (Deficit)/Income for the financial year	1,030,093	(219,025)
Adjustments for:		
Investment activities	(6,927)	(699)
Decrease / (increase) in debtors	(457,669)	(4,387)
Increase / (decrease) in creditors	<u>115,085</u>	<u>11,695</u>
<u>Cash from operations</u>	<u>680,582</u>	<u>(212,416)</u>
Interest paid	-	-
Income taxes paid	-	-
<u>Net cash generated from operational activities</u>	680,582	<u>(212,416)</u>
 <u>Cash Flows from Investing activities</u>		
Purchase of investments	(400,348)	(1,045,733)
Proceeds from sale of investments	203,815	1,253,498
Income from investment	11,215	6,234
Investment management fees	(4,288)	(5,545)
Interest received	-	10
<u>Net cash from investing activities</u>	<u>(189,606)</u>	<u>208,464</u>
 <u>Cash flows from financing activities</u>		
<u>Net cash used in financing activities</u>	-	-
 Net increase / (decrease) in cash and cash equivalents	490,976	(3,952)
Cash and cash equivalents at beginning of the year	<u>287,506</u>	<u>291,458</u>
<u>Cash and cash equivalents at the end of the year</u>	<u>778,482</u>	<u>287,506</u>

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and are in accordance with applicable standards, and the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Incoming resources

Income is accounted for in the period in which the charity is entitled to receipt.

Resources expended

Expenditure is included on an accruals basis.

Investments

All investments are stated at market value at the year-end. Income arising from investments is accounted for in the period when it is receivable.

Governance costs

Governance costs are associated with the governance arrangements of the charity and include the cost of external accountancy fees and legal fees.

2 Donations and gifts

	2023 £	2022 £
Donations and gifts	1,214,183	49,946
	<u> </u>	<u> </u>

Donations and gifts consist of royalties assigned by Sir Richard Stilgoe.

3 Investment income

	2023 £	2022 £
Income from listed investments (gross)	11,215	6,234
Less: investment fees	(4,288)	(5,545)
Interest receivable	-	10
	<u> </u>	<u> </u>
	6,927	699
	<u> </u>	<u> </u>

4 Grants payable (128 grants)

2023
£

2022
£

Grants payable can be divided into the following categories:

The Alchemist Scheme	64,500	76,461
Disability- mobility, helplines, access	17,000	76,759
Social welfare – inner city community projects	70,500	51,250
Individuals on behalf of registered charities	2,400	3,900
Respite for carers	4,500	2,250
Penal reform and work with prisoners and their families	17,025	31,000
Other	13,700	27,000
	<hr/>	<hr/>
	189,625	268,620
	<hr/>	<hr/>

5 Total resources expended

2023
£

2022
£

Charitable activities:

Grants payable	189,625	268,620
Management and administration	342	-
	<hr/>	<hr/>
	189,967	268,620

Governance costs:

Accountancy fees	1,050	1,050
	<hr/>	<hr/>
	191,017	269,670
	<hr/>	<hr/>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. The charity has not met any individual expenses incurred by trustees for services provided to the charity during the year.

7 Employees

There were no employees during the year.

8 Debtors

	2023	2022
	£	£
Investment income receivable	658	654
Royalties receivable	462,837	5,172
	<hr/>	<hr/>
	463,495	5,826
	<hr/>	<hr/>

9 Current Asset Investments:

	Fixed interest securities	Equities and Alternatives	2023	2022
			£	£
Managed Portfolio:				
Market value at 6 April 2022	78,623	636,248	714,871	885,267
Purchases	169,293	231,055	400,348	1,045,733
Sales	(50,561)	(153,254)	(203,815)	(1,253,498)
Accrued interest at 6 April 2022	-	-	-	-
Accrued interest at 5 April 2023	-	-	-	-
Net gains / (losses)	(20,036)	(8,457)	(28,493)	37,369
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 5 April 2023	177,319	705,592	882,911	714,871
	<hr/>	<hr/>	<hr/>	<hr/>
Historical cost at 5 April 2023	185,241	713,855	899,096	700,795
	<hr/>	<hr/>	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	127,830	12,745
	<hr/>	<hr/>
	127,830	12,745
	<hr/>	<hr/>

11 Movement of funds

	2023	2022
	£	£
Unrestricted funds:		
At 6 April 2022	995,458	1,177,114
Net movement in funds	1,001,600	(181,656)
	<hr/>	<hr/>
At 5 April 2023	1,997,058	995,458
	<hr/>	<hr/>

Of the above funds £28,493 represents unrealised loss on investments (2022 – unrealised gain of £37,369).

12 Related parties

During the year grants of £Nil (2022 - £46,660) were made to The Orpheus Centre Trust.