



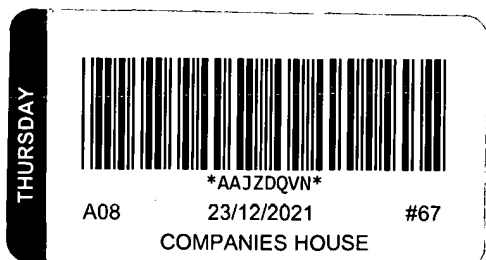
MOORE Kingston Smith

THE MAGIC CIRCLE FOUNDATION LIMITED
(formerly Centre For The Magic Arts Limited)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

Company No: 02155182
Registered Charity No: 297582



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Chairman's Statement

This financial year (2020-21) we are very pleased to have welcomed 369 members of The Magic Circle as members of The Magic Circle Foundation Limited. This brings the total membership to 371, two members of TMC Ltd are not members of TMC: David Cheeseman and myself. It is the responsibility of members of the charity to monitor the progress of the charity through this annual report and accounts, to give realistic and implementable advice to the board and to help wherever practical.

While the impact of COVID-19 restrictions throughout 2020-21 has had a profound effect on the ability of the Foundation to generate income we are able to report a continuation of a small positive surplus, achieved through careful control of costs, reduced overheads, and financial support received through applications for Government COVID-19 business support grants. We continue to look to use that surplus for charitable purposes and for the increased improvement of The Magic Circle Headquarters and its content for those purposes.

The financial results of the year are explained in more detail in the Trustees' Annual Report below but highlights include (to the nearest thousand pounds):

An annual surplus of £2,863
Reserves now stand at £475,375

Reserves are necessary to ensure that any emergency concerning the viability of the building at 12 Stephenson Way can be resolved promptly and also that, should it ever be necessary, the Charity can be discontinued in a tidy way.

In order to protect our future business at the Centre for the Magic Arts, business that is essential to the future of our organisation, we have continued to work effectively with the High Speed 2 railway company, HS2 Ltd, and their current contractor Mace Dragados both through the Stephenson Way Group (SWG) and directly when appropriate. HS2-Mace Dragados have kept us informed of plans well in advance of any implementation, have consulted us on work that will affect us, and have brought to our attention promptly any changes to their plans that occur through unforeseen circumstances. However, staff turnover at HS2 and its contractors, present a challenge to all local stakeholders, including the Foundation, wanting to maintain vigilance with regard to the on-going safeguarding of The Magic Circle Headquarters.

The demolition of Wolfson House having been satisfactorily completed, HS2 is now moving forward with building the vent shaft required for the essential works associated with the development of the new Euston Station.

We (individually and with SWG) have continued to be advised by our specialist adviser, Henry Clarke of Rail Estate and two further independent consultants, Paul C W Danvers of PCC Property Consultants Ltd and Stuart Hutchinson of Samuely Consulting Structural Engineers who have advised us on matters pertaining to our party wall with the now demolished Wolfson House and land settlement risks in relation to the piling activity to be undertaken for the building of the vent shaft. HS2 meet the professional costs of the two latter advisers and the specialist firm solicitors, BDB Pitmans, whose representations are also required in connection with legal consultations relating to HS2 and its works. In addition to our professional consultants, we are indebted to Centre Director, Daren Martin, Trustee, Garry Thomas, and past-Trustee, Terry Wright, for their willingness to join me in attending regular meetings and engaging with HS2 and their contractors.

Stephenson Way and the area around our Headquarters have been seriously impacted by the extremes disruption caused by the demolition of Wolfson House and whilst this largely coincided with the Covid pandemic, the building of the vent shaft and the further developments of Euston and Euston Square Stations will continue to impact on TMC for at least the next ten years. In view of this, I urge the Trustees (in close association with The Magic Circle and The Magic Circle Trust Ltd.) to establish a succession

plan to ensure that they have representatives adequately equipped to continue efficient interaction with HS2 and its contractors when the present volunteers are no longer able to continue their service.

While this year's financial result reflects the extremely difficult trading conditions throughout 2020-21, we must maintain relationships with customers and suppliers to ensure their continued support, and that the disturbances around us do not turn them away. We rely on the continuation of our existing revenue generators to maintain our small annual surplus.

The outcome for the current year 2021-2022 is anticipated to remain challenging for the Foundation with the continued combined impacts of HS2, Brexit and COVID-19. Results will depend on public appetite for live performances and corporate interest in venue hire. We will continue to rely on our Centre Director to promote our venue for hiring and public events while seeking new approaches to its use and promotion.

While our annual surplus will continue to be impacted by current events, I am reminded that in 2011 the Foundation had an annual deficit of £120,747 and I am proud that over the past nine years we have proven our ability to adapt to changing circumstances and improve our processes thus allowing us to generate a substantial reserve and annual surplus.

Our work and success depends greatly on the ongoing support of volunteers, who have been active even at the height of the COVID-19 crisis. Managing a very public-facing building during a pandemic and while coping with the forces of HS2 as it demolishes the building adjacent to our own has been an enormous challenge especially when denied the satisfaction that comes from seeing TMC members meeting with one another and the presence of regular visitors and guests enjoying our facilities, exhibits and entertainments. I extend the Board's heartfelt thanks to Centre Director, Darren Martin, for his continued care of our building and its contents and for the renewed efforts of him and his team as The Magic Circle moves towards returning to its usual programme of events.

Our wholly owned subsidiary, the Centre for the Magic Arts (Trading) Ltd (CMAT) is responsible for handling all the trading type activity to do with shows, venue hire and bar and shop sales, while The Magic Circle Foundation Ltd (the parent charity) handles the upkeep of 12 Stephenson Way and staff or contractor employment, and recharges a proportion of its costs to the subsidiary trading company. All surpluses made by CMAT are transferred to TMCF Ltd. However, as a result of the closure of the building due to the pandemic CMAT has been largely unable to trade during 2020-21 so was unable to generate a surplus.

During the reporting period many capital expenditure projects have been put on hold due to the impact of Covid-19, however, essential repairs and upgrading continue to ensure that HQ is ready for use once the crisis is over.

The day-to-day accounting is handled by a part-time accountant, and a part-time bookkeeper, who provide the necessary accounts services including maintenance of the accounting records, billing and payments, preparation of quarterly financial reports, submission of VAT returns, and preparation of draft annual accounts. This work is carried out under the supervision of the Treasurer. We also continue to use a third-party agency to deal with payroll.

Since April 2019 TMCF has been responsible for the Young Magicians Club (YMC), The Magic Circle's long-running youth initiative. This has represented a wonderful opportunity for TMCF to widen its charitable work. In July 2021, the YMC reported having 300 members, and has been active with running successful on-line workshops throughout 2020-21 and a well-attended on-line Junior-Day event for members in October 2021. The Board acknowledges the hard work of YMC Chair Kevin Doig and his team. In September 2021, the Board officially appointed Alan Rogers as its Safeguarding Officer, who will work closely with Kevin Doig, who is also TMC's Child Protection Officer. Following the election of Megan Swann as President of TMC in September 2021, she also assumed the presidency of the YMC, most fittingly since, as a former YMC member, the club contributed to her success in magic and her subsequent outstanding contributions to TMC as its Secretary, Vice President and now President.

In the reporting period, we have had a number of changes to the composition of the Board.

Scott Penrose MIMC Gold Star and Noel Britten MIMC Gold Star both resigned from the Board. I thank them both for their respective contributions to the work of the Foundation.

Following the retirement of TMCF Chair, Peter Kyle OBE at the last Annual General Meeting (due solely to his length of tenure in the role), I agreed to take the Chair in a limited 'caretaking' capacity, and in doing so resigned my membership of TMC in order to comply with the requirement that the Chair of the Foundation should be neither a member of TMC nor a magician.

My hope was that, during this interim year (in which so many usual Foundation activities were put on hold by the Covid pandemic) the Board would consolidate its strengths following the disruptive internal difficulties that had impacted the organisation in the preceding 12 months, and would be able to focus on urgent task of recruiting new independent Trustees.

Due to the unity, commitment and vision of the Board and the hard work of the Secretary, we are now in a position to invite the membership to endorse the appointment of three highly qualified, independent Trustees whose breadth of experience and skill sets will be of great asset to the Foundation.

I commend to you Messrs Martin Kaufman, Neil Pritchard and Vimal Tilakaparla whom I hope will join our existing team of dedicated Trustees: Sarah Campbell, Barry Harris (Treasurer), Stuart Scott (Secretary), Megan Swann (TMC President) and Garry Thomas.

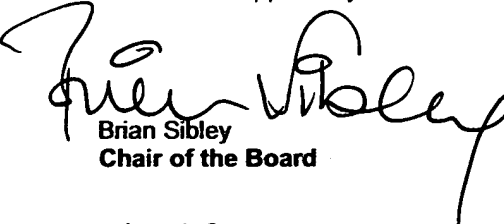
It is my intention to remain as Chair only as long as it takes the newly constituted Board to establish itself and reach a point where it is comfortable and confident in electing a new Chair.

I want to express my gratitude to David Cheeseman, our one remaining independent trustee from the Board's previous composition, who – after over ten years' service could have retired – offered to continue for a further year to support myself and the Board during this transitional year.

David steps down at this AGM but is willing to maintain his contact with TMCF and offer advice and support to the new Board. I hope that, at its first meeting, the Board will consider co-opting David as a non-voting Trustee and I look forward to continuing to benefit from his wisdom until our respective short-term work is done!

The company is, as always, very grateful to members of The Magic Circle who, under normal circumstances give their time and talent to put on our fantastic shows, particularly the Christmas Show as well as the ever-popular regular "The Magic Circle Mysteries", "Magic Circles Secrets", "Monday Morning Magic," "History and Mystery at The Magic Circle" and the "Close-Up at The Magic Circle" events. These shows consistently receive reports of high client satisfaction, and we look forward to a time when we can be fully up and running again with these splendid events.

The company relies heavily on a continually sustained and renewed loyal band of volunteers who put in so much of their time to run our public events and bring in much needed revenue. These activities have been significantly scaled down in this year but, once again, I offer a heartfelt "Thank you" to you all, and to my fellow Trustees, who are also, with me, volunteers. The continued support of you all is essential to the success of this enterprise.


Brian Sibley
Chair of the Board

18/12/2021

Company Details

Executive Committee / Board of Trustees

Member	Recent Changes
Mr Noel Britten (President of The Magic Circle)	Resigned 10/04/2021
Ms Sarah J Campbell	
Mr David Cheeseman	
Mr Barry Harris (Treasurer)	
Ms Megan Knowles-Bacon (Acting President of The Magic Circle)	Co-opted to Board on 18/04/2021
Mr Scott Penrose	Resigned 27/01/2021
Mr Stuart A Scott (Secretary)	
Mr Brian D Sibley (Chairman)	
Mr Garry Thomas	

Secretary and Registered Office

Mr S A Scott
12 Stephenson Way, London, NW1 2HD

Company Registration No.
02155182

Charity Registration No.
297582

Bankers

Handelsbanken
86 Jermyn Street, London SW1Y 6JD

Independent Examiner

, Moore Kingston Smith LLP
The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes
London UB3 1HA

Solicitors

Bond Dickinson LLP
4 More London Riverside
London SE1 2AU

Trustees' Annual Report

The Trustees, who are also Directors and Members of The Magic Circle Foundation Limited ("the company") for the purpose of company law, are responsible, through the Board of Trustees for overseeing the business of the charity and hereby present their report and the independently examined financial statements for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011 and the 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).

Structure, Governance and Management

The company is a registered charity (no.297582) limited by guarantee and is governed by its Memorandum and Articles of Association. The company was incorporated on 17 August 1987 and was established under a Memorandum of Association, which identifies the object and powers of the charitable company. The company is governed under its Articles of Association. The Memorandum and Articles were brought up to date and approved by the members of the Centre for the Magic Arts Limited (the former name of The Magic Circle Foundation Limited) at the AGM of 5 October 2015.

In the event of the company being wound up, members of the company are required to contribute an amount not exceeding £1.

The Trustees of the company at the date of the 2020-21 AGM, are:

Ms S J Campbell, Mr D S Cheeseman, Mr B Harris, Ms M Knowles-Bacon, Mr B D Sibley,
Mr SA Scott, Mr G Thomas

We thank our very able accountant (Karen Butler) and bookkeeper (Sally Young) for dealing with matters financial so efficiently during this period.

New Trustees are appointed by the Board of Trustees in the short term and elected by the members at the first available AGM according to Article 57. Under the requirements of the Articles of Association the longest serving committee members at the time of the AGM must retire and may offer themselves for re-election. There are currently 315 Members of the company (including the Directors) each of whom pays a £1 annual subscription through their membership subscription to The Magic Circle (TMC) renewable in the Spring of each year and who are entitled to vote at the AGM. We require that each member of the company gives their consent at each renewal of their TMC membership to continue also to be a member of the company. This is addressed with members by TMC at the time of their renewal of TMC membership.

The members of the board are considered to be key management and do not receive any remuneration for their role as board member.

The Trustees meet at a monthly Trustees' board meeting to review company performance and to establish and monitor actions to fulfil their responsibilities. Should there be a need for any urgent action then the board communication system by e-mail and Slack is considered quite sufficient.

The subsidiary company, Centre for the Magic Arts Trading Ltd (CMAT Ltd) is registered at Companies House (a private limited company incorporated 26 October 2011; company number 07824803). The business of CMAT Ltd is reported and monitored through the board of trustees meeting. The two Directors of CMAT Ltd are Mr Barry Harris, Treasurer of TMCF, and Mr Darren Martin, the Centre Director. (Mr Scott Penrose was a Director of CMAT until his resignation on 27th January 2021) This combined management system simplifies the administrative burden of the two companies. The clear separation between the two companies can be seen at the financial accounts level as reported below

and in the annual report for CMAT Ltd. Unless otherwise specified, in this annual report "the company" refers to the charity TMCFLtd and its subsidiary CMAT Ltd together.

Objectives and Activities

The main object of the charity, TMCFLtd, is to promote the education of the public in the history and practice of the art of magic, in particular by:

- maintaining a library and museum of magic works and artefacts;
- promoting public lectures; and
- providing or assisting in the provision of a centre for meetings, lectures, classes and other forms of education for the benefit of the public.

Specifically, there are morning entertainments for families, lunchtime entertainments for institutes, rotary clubs and like bodies all at a reduced rate when compared with the evening sessions; there are also free entertainments for local schools and disadvantaged children offered to the local council; and the library is made available in the presence of a librarian free of charge to all of those conducting academic research. Special charitable events are also organised as fund-raisers and we are very grateful to all of those who give freely of their time to organise and perform at these events.

The main objective of the subsidiary, CMAT Ltd, is to generate enough income through commercial activities to be able to maintain our building and to fund charitable activities.

Achievements and Performance

Despite the very poor trading conditions the company generated a small surplus, achieved through a combination of good control of costs, reduced costs resulting from the building closure, and government Covid-19 related business closure grants totalling £25,649.

There was an opportunity, in between national lockdowns, to run three Close-Up at The Magic Circle events in both September and October 2020, and one in December 2020. This is a long standing popular public event, but tickets sales were required to be restricted. The hugely popular Magic Circle Christmas Shows are the company's main revenue generator each year, but these could not be held in 2020.

Corporate venue hire is an important element of our business strategy, although in response to changes in the pre Covid-19 economic environment we had sought to increase our income from performances. The future for corporate venue hire will need to be assessed in the coming months.

The company is, as always, very grateful for the hard work of its management team and thanks them very much. It also will continue to rely very heavily on its many volunteers who give freely of their time to help at public events. Without this generous time commitment it would not be possible to run these events. The Trustees are very grateful for this loyal support, which, although it cannot be quantified in the accounts, is exceptionally valuable and is much appreciated. Thank you to all!

It can be seen in the accounts that the company has continued to incur costs as we continue to protect our interests and address the plans of the HS2 company, HS2 Ltd, to re-construct Euston Station. HS2 Ltd have demolished the building on the east side of 12 Stephenson Way (Wolfson House) thus exposing the party wall. They are presently constructing a vent shaft to serve the Northern Line Underground railway (replacing the current vent shaft in Melton Street at the side of Euston Station). Plans are being shared with us through the Stephenson Way Group of charities (SWG) but it is clear that access to our building will continue to be restricted, although not totally closed, and there continues to be construction disturbance. To this end we attend regular monthly meetings with HS2 where we are briefed on progress. We thank the other members of the SWG for their partnerships as we move forward. The members of this group, who all own premises around Stephenson Way, are The Royal College of General Practitioners, The Wellcome Foundation, The Quaker House, The Wesley Hotel (International Methodists Centre), The Royal College of Ophthalmologists, and The Royal Asiatic Society. All of these organisations are charities. We are very grateful for the contributions that these charities make alongside us when working on HS2 matters.

The government enforced lockdown, as a result of Covid-19, forced the closure of 12 Stephenson Way on 16th March 2020. While the longer term impact on the ability of the trading company to generate income for the Foundation is not yet clear we will have to adapt and find new ways of working in 2021-22. It is our intention to review the longer term sustainability of the trading company in the coming months. We do expect the trading conditions to continue to be challenging but we have confidence that we have sufficient reserves to sustain the Foundation in the short to medium term.

Financial Review

Since 2013 all trading activities and public performances have been accounted for in the books of CMAT, the wholly owned subsidiary of TMCF. This has been done in order to comply with the requirements of the Charity Commission. TMCF continues to manage the building at 12 Stephenson Way and to employ the staff needed to run the charity and administer all the activities of the two companies. TMCF then charges an administration and management fee to CMAT for its share of these costs. Finally, CMAT remits all its profit for the year back to TMCF by way of a charitable donation.

A surplus for the year of £2,863 is slightly higher than last year's surplus of £1,682, an increase of just £1,181. Severe trading restrictions during 2020-21 resulted in the trading company making a loss for the first time since it started trading in 2013, this contributed to an overall decrease in income for the Foundation of £55,443. This is after taking into account the £25,649 grant income received. The Foundation was able to still make a small surplus as a result of a drop in overhead expenditure of £56,624 through a combination of efforts to contain costs, the suspension of business rates, and savings in utility costs due to the closure of the building.

The main components of the rise in surplus this year were:

£	(52,224)	decrease in general income
£	(3,219)	decrease in YMC income
£	625	decrease in HS2 related costs
£	51,680	decrease in other operating costs
£	<u>4,319</u>	decrease in cost due to YMC activities
£	<u>1,181</u>	Total net increase in surplus

The surplus for the year combined with the loss made by the trading company takes the reserves of both companies together to £392,246, of which only £1,220 is restricted.

At the year-end we had cash at bank and in hand in both companies together of just under £397,000, a decrease of £73,000 over the previous year (to the nearest thousand pounds).

Independent Examination

Independent examination, an approach permitted by the Charity Commission, is a simpler and less expensive form of external scrutiny than a full audit. For future years the Trustees will consider which version of external scrutiny, independent examination or audit, they believe is in the best interests of the company, including its subsidiary, at the time. The two companies, TMCF and CMAT, are reviewed separately.

Reserves Policy and Review

The charitable company aims to maintain reserves sufficient for its effective operations and as a provision for refurbishment costs, normal maintenance and running costs.

The Trustees regularly monitor and discuss the opportunities available to the charitable company and the risks to which it is exposed.

The Trustees consider and review the financial performance of the charitable company in terms of income generation from commercial activities and public events while controlling the costs of the maintenance and upkeep of the building through the Centre Director and support staff.

The prospects for future periods are considered at each Trustees' Board Meeting to ensure that the company can meet its objectives and to ensure reserves are in place to enable the on-going success of the company.

Plans for Future Periods

The trustees are mindful of the restrictions imposed on the Foundation as a result of government policy on Covid-19.

The Director of the Centre works with the Board of Trustees to find new ways of improving and adapting the business.

The commercial activities of the subsidiary company are seen as vital for maintaining the on-going success of the charity. Funds continue to be required for a programme of maintenance and refurbishment of The Magic Circle building. To this end we intend to continue, with the help and support of members of The Magic Circle, to develop the events programme. We will also continue to look at ways of maximising income from the corporate hire of the building. As the Covid-19 crisis subsides and new ways of working develop we will be better able to identify and implement sustainable income generation streams.

Public Benefit

The trustees are aware of the Charity Commission's guidance on public benefit.

Going Concern

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the short to medium term. However, the ongoing uncertainty regarding the global pandemic will require the Centre Director and the board to continuously monitor and review the impact on the Foundation and the trading subsidiary.

Fundraising

It is the intention of the Board of Trustees to establish a committee with the remit of considering types of additional fundraising that could be undertaken, and how this might be done and is aware of the code issued by the Fundraising Regulator.

Risk Management

The board conducts reviews of the major risks facing the company, which are recorded in a risk register,

- The establishment of systems and controls to mitigate the risks identified; and
- The implementation of procedures designed to minimise any potential impact on the company should any of those risks materialise.

As with the management of financial reserves, emerging risks that the company faces are considered at committee meetings and strategies, controls and systems developed to help mitigate each risk.

As reviewed above one of the major risks for the near future continues to be the plan to increase the size of Euston Station as part of the proposed HS2 High Speed train link, which would bring the new station premises immediately next to our building at the eastern side. The Magic Circle Council and The Magic Circle Foundation Limited together are working with the HS2 team and an external consultant on an ad hoc basis to address our need for disturbance to be minimised and our need to continue in business, and also to ensure that we do not miss any opportunities.

Until the impact of Government measures on the economic environment are known the Trustees are unlikely to see the full impact of Covid-19 on charitable and trading activities. However, with the existing levels of reserves, the Trustees believe that the Foundation is well placed to cope with these challenges and anticipates emerging from the crisis in good shape.

Statement of Trustees Responsibilities

The Trustees (who are also members and directors of The Magic Circle Foundation Limited for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. 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 the Charities SORP
- make judgements 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- a) there is no relevant information of which the charitable company's independent examiners are unaware; and
- b) the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiners are aware of that information.

Small Company Exemption

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Stuart Scott
Secretary

18/12/2021

Independent Examiner's Report
to the Trustees of The Magic Circle Foundation Limited

I report to the charity trustees on my examination of the accounts of the Magic Circle Foundation Limited for the year ended 31 March 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.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

Independent examiner's statement

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.



Jonathan Seymour
Moore Kingston Smith LLP
The Old Vinyl Factory,
Blyth Road, London UB3 1HA

Date: 22 December 2021

Statement of Financial Activities
(incorporating income and expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
	1				
Income from:					
Donations and legacies		564	-	564	47,711
Other trading activities		106,219	-	106,219	138,220
Government grants		26,941	-	26,941	-
Investments		78	-	78	95
Charitable activities		12,617	-	12,617	15,836
Total income		<u>146,419</u>	<u>-</u>	<u>146,419</u>	<u>201,862</u>
	2				
Expenditure on:					
Raising funds		(130,500)	-	(130,500)	182,805
Charitable activities		(13,056)	-	(13,056)	17,375
Total expenditure		<u>(143,556)</u>	<u>-</u>	<u>(143,556)</u>	<u>200,180</u>
Net movement in funds		2,863	-	2,863	1,682
Funds Brought Forward		471,292	1,220	472,512	470,830
Funds Carried Forward		<u>474,155</u>	<u>1,220</u>	<u>475,375</u>	<u>472,512</u>

There are no other recognised gains and losses other than those shown above.

Since 1 April 2013 trading activities and public events have been managed by Centre for the Magic Arts Trading Ltd ("CMAT"), a wholly owned subsidiary of The Magic Circle Foundation Limited ("TMC") (formerly Centre for the Magic Arts Limited). Profits generated by CMAT are paid to TMC by way of a charitable donation.

Balance Sheet
as at 31 March 2021

	Note	<u>2021</u>		<u>2020</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	4		10,055		16,471
Current assets					
Debtors	5	345,595		291,131	
Cash at bank and in hand		<u>174,794</u>		<u>201,612</u>	
		520,389		492,744	
Creditors, amounts falling due within one year	6	<u>(10,902)</u>		<u>(36,702)</u>	
Net Current Assets			509,487		456,042
Creditors, amounts falling due after one year	7		(44,167)		-
Net Assets			<u>475,375</u>		<u>472,512</u>
Represented by:					
Restricted funds	8		1,220		1,220
Unrestricted funds	8		<u>474,155</u>		<u>471,292</u>
			<u>475,375</u>		<u>472,512</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board on 18/12 2021 and signed on their behalf by:

Treasurer
Barry Harris



Notes to the financial statements

1 Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of accounting

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) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Magic Circle Foundation Limited meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Trust's ability to do so.

c) Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure that meets these criteria is identified to the fund.

d) Unrestricted funds

Unrestricted funds are donations and other income received or generated for the charitable purposes as the Executive Committee thinks fit.

e) Voluntary income

Voluntary income is received by way of grants, donations, gratuities and gifts and is included in full in the Statement of Financial Activities when received. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

f) Hiring and public events income

Hiring and public events income is recognised when the charity is entitled to the income and the amount can be reasonably quantified with reasonable accuracy. Amounts received relating to future events are recognised as deferred income.

g) Bar and retail income

Bar and retail income is recognised on the date when the sales transaction is completed.

h) Government grants

Government grants are recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

i) Investment income

Investment income is included when receivable.

j) Cash and cash equivalents

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

k) Fixed assets

All fixed assets are held at cost less depreciation.

Expenditure in relation to fixed assets is capitalised where an item is expected to remain in the business for 3 years or more, and is of a value of £500 or more.

Depreciation is calculated to write off the cost of tangible fixed assets in instalments at the following annual rates:

- | | |
|------------------------------------|-------------------|
| • Library books | 25% straight line |
| • Fixtures, fittings and equipment | 25% straight line |
| • Young Magicians equipment | 25% straight line |
| • IT equipment | 33% straight line |

l) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT that cannot be recovered.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with magic performances and shows and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resource.

m) Liabilities

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustee's best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The trustees do not consider there to be any estimates and judgements.

2 Expenditure

	Trading activities and public events £	Centre Management £	Governance £	Total 2021 £	Total 2020 £
Costs allocated directly to activities:					
Independent examination	-	-	3,080	3,080	4,100
Legal and professional	-	-	4,200	4,200	4,825
Young Magician's Club		-	-	13,065	17,375
Support costs for activities:					
Staff salaries & tax	45,139	23,253	-	68,392	79,362
Premises costs	26,889	13,852	-	40,741	73,960
Office costs	4,712	2,428	-	7,140	14,629
Depreciation	4,234	2,181	-	6,415	5,325
Bank charges & interest	245	144	144	533	604
Total expenditure	81,219	41,858	7,424	143,556	200,180

Support costs are allocated to each activity cost category as above according to the proportion of the year for which the centre was used for each source of income. The total amount re-charged to the trading subsidiary CMAT for administration and management costs relating to CMAT trading activities was £81,219 (2020: £113,220).

	Trading activities and public events (recharged to CMAT) £	Centre Management £	Governance £	Total 2020 £
Costs allocated directly to activities:				
Independent examination	-	-	4,100	4,100
Legal and professional	-	-	4,825	4,825
Young Magicians Club	17,375	-	-	17,375
Support costs for activities:				
Staff salaries & tax	52,380	26,982	-	79,362
Premises costs	48,232	25,728	-	73,960
Office costs	8,815	5,814	-	14,629
Depreciation	3,515	1,810	-	5,325
Bank charges & interest	278	163	163	604
Total expenditure	130,595	60,497	9,088	200,180

3 Staff costs

	2021 £	2020 £
Staff costs:		
Contracted staff	11,014	15,607
Wages and salaries	55,000	54,151
Social security costs	2,378	7,604
Pension	-	2,000
	<u>68,392</u>	<u>79,362</u>
Average monthly number of employees, by function:	2021	2020
Centre Director	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

No employee received emoluments in excess of £60,000 p.a. (2020: none).

No directors received any remuneration for the year (2020 - £nil).

Expenses reimbursed to directors aggregated to £nil (2020 - £nil).

The members of the board are considered to be key management and do not receive any remuneration (2020: £nil)

4 Tangible Fixed Assets

	Library equipment £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost:				
As at 1 April 2020	6,590	227,209	22,099	255,898
Additions	-	-	-	-
As at 31 March 2021	<u>6,590</u>	<u>227,209</u>	<u>22,099</u>	<u>255,898</u>
Depreciation:				
As at 1 April 2020	6,590	216,290	16,547	239,427
Charge for the year	-	3,639	2,776	6,415
As at 31 March 2021	<u>6,590</u>	<u>219,929</u>	<u>19,323</u>	<u>245,842</u>
Net book value:				
As at 31 March 2021	<u>-</u>	<u>7,280</u>	<u>2,776</u>	<u>10,055</u>
As at 1 April 2020	<u>-</u>	<u>10,918</u>	<u>5,552</u>	<u>16,471</u>

5 Debtors

	2021 £	2020 £
Amounts due from subsidiary company	304,465	266,963
Prepayments and accrued income	39,234	20,004
Other debtors	1,896	4,164
	<u>345,595</u>	<u>291,131</u>

6 Creditors, amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	3,617	4,000
Other creditors	1,452	32,702
Covid Recovery Bounce Back Loan Scheme	5,833	-
	<u>10,902</u>	<u>36,702</u>

7 Creditors, amounts falling due after one year

	2021 £	2020 £
Covid Recovery Bounce Back Loan Scheme	44,167	-
	<u>44,167</u>	<u>-</u>

8 Movement in Funds

	As at 1 April 2020 £	Total income £	Total expenditure £	As at 31 March 2021 £
Restricted funds:				
Young Magicians Equipment	83	-	-	83
Museum	1,137	-	-	1,137
	<u>1,220</u>	<u>-</u>	<u>-</u>	<u>1,220</u>
Unrestricted funds:				
General Funds brought forward	471,292	146,419	(143,556)	474,155
	<u>472,512</u>	<u>146,419</u>	<u>(143,556)</u>	<u>475,375</u>

	As at 1 April 2019 £	Total income £	Total expenditure £	As at 31 March 2020 £
Restricted funds:				
Young Magicians Equipment	83	-	-	83
Museum	1,137	-	-	1,137
	<u>1,220</u>	<u>-</u>	<u>-</u>	<u>1,220</u>
Unrestricted funds:				
General fund brought forward	469,610	201,862	(200,180)	471,292
	<u>470,830</u>	<u>201,862</u>	<u>(200,180)</u>	<u>472,512</u>

9 Analysis of Net Assets between Funds

	Tangible fixed assets £	Net current assets £	Liabilities due >1 year £	Total 2021 £
Restricted funds:				
Young Magicians	-	83	-	83
Equipment	-	1,137	-	1,137
Museum	-	1,220	-	1,220
Unrestricted funds	10,055	508,267	(44,167)	474,155
	<u>10,055</u>	<u>509,487</u>	<u>(44,167)</u>	<u>475,375</u>
	Tangible fixed assets £	Net current assets £	Liabilities due >1 year £	Total 2020 £
Restricted funds:				
Young Magicians	-	83	-	83
Equipment	-	1,137	-	1,137
Museum	-	1,220	-	1,220
Unrestricted funds	16,471	454,821	-	471,292
	<u>16,471</u>	<u>456,041</u>	<u>-</u>	<u>472,512</u>

General Fund:

Funds are held available for ordinary purposes of the company.

Young Magicians Equipment and Museum: These funds are used to purchase equipment.

10 Limited by Guarantee

The company is limited by guarantee, each member having guaranteed to pay a maximum of £1 should the company be wound up. At present, there are 315 members.

11 Related Parties

During the year the company charged The Magic Circle £25,000 (2020: £25,000) for the use of 12 Stephenson Way. N. Britten, S. Penrose and B. Sibley, who are directors of The Magic Circle Foundation Limited, are also members of the Council of The Magic Circle.

The Magic Circle granted The Magic Circle Foundation Ltd (formerly the Centre for the Magic Arts Limited) an 80-year lease of the premises at 12 Stephenson Way in 1998 at a rent of 20% of the company's turnover in excess of £250,000 (indexed).

Included in other debtors at the year end is £296 (2020: £297) due from The Magic Circle. Included in other creditors at the year end is £945 (2020: £3,048) due to The Magic Circle.

12 Subsidiary Undertaking

The company has incorporated a subsidiary: Centre for the Magic Arts Trading Limited ("CMAT").

The company owns 100% of the ordinary share capital of CMAT, comprising one share with par value of £1.

Since 1 April 2013 trading activities and public events have been managed by CMAT. Profits generated by CMAT are paid to the company by way of a charitable donation.

The subsidiary generated a net loss of £83,129 (2020: net profit £42,499) in the year.