



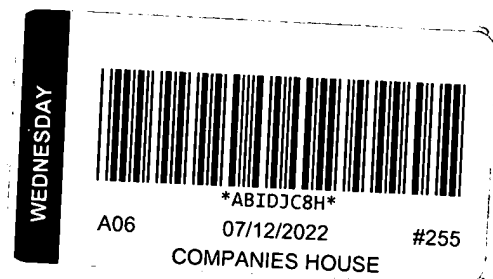
MOORE Kingston Smith

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

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2022

Company No: 02155182
Registered Charity No: 297582



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Chairman's Statement

This financial year (2021-22) we are very pleased to have welcomed 336 members of The Magic Circle as members of The Magic Circle Foundation Limited. This brings the total membership to 341, five members of The Magic Circle Foundation Ltd are not members of The Magic Circle. These are our four Independent Trustees, Martin Kaufman, Neil Pritchard, Brian Sibley and me, and our one co-opted Board member, David Cheeseman. 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 had a profound effect on the ability of the Foundation to generate income we are able to report an improvement in trading in 2021-22 and the continuation of a 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 £23,810
Reserves now stand at £499,185

Reserves are necessary to ensure that any emergency concerning the viability of The Magic Circle Headquarters 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. The Board has agreed to 12 months overhead coverage.

In order to protect our future business at The Magic Circle Foundation, 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 when appropriate, directly.

We (individually and with SWG) have continued to be advised by our specialist adviser, Henry Clarke of Rail Estate. We are also advised by two further independent consultants, Paul C W Danvers of PCC Property Consultants Ltd and Stuart Hutchinson of Samuely Consulting Structural Engineers, on matters relating 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. HS2 also meet the costs of a specialist solicitors, BDB Pitmans, whose advice we need in connection with legal consultations relating to HS2 and its works. In addition to our professional consultants, we are indebted to Centre Director, Darren Martin, Trustees, Brian Sibley and Garry Thomas, and past-Trustee, Terry Wright, for their willingness to attend regular meetings and engage with HS2 and their contractors.

Stephenson Way and the whole area around our Headquarters have been seriously impacted by the extreme disruption caused by the construction work around Euston. This is likely to have an impact on The Magic Circle Foundation, and its trading company, for at least the next ten years.

This year's financial result reflects the on-going difficult trading conditions throughout 2021-22, both pandemic and HS2 related. This period of disruption and inconvenience has highlighted to us the importance of maintaining relationships with our customers and suppliers to ensure their continued support. We rely on the continuation of our existing revenue generators to maintain our small annual surplus.

The outcome for the current year 2022-2023 is anticipated to remain challenging for the Foundation with the continued combined impacts of HS2, Brexit and rising cost of living prices, in particular energy costs. Results will depend on public appetite for live performances and corporate interest in venue hire.

We will continue 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 adversely affected by current events, I am reminded that in 2011 the Foundation had an annual deficit of £120,747 and I am very proud that over the past nine years we have proven our ability to adapt to changing circumstances and improve our processes so turning that deficit into a substantial reserve and annual surplus.

Our work and success depend 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 The Magic Circle 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 The Magic Circle Headquarters at 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 on-going challenging trading conditions CMAT has been unable to generate a surplus.

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 long-standing 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 The Magic Circle's Child Protection Officer. Following her election as President of The Magic Circle in September 2021, Megan Swann 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 The Magic Circle 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.

Noel Britten MIMC resigned as President of The Magic Circle in April 2021 as in doing so, ceased to be an ex officio member of the Board. Noel brought a drive and determination to his role as trustee as well as insights into The Magic Circle performances. I thank him for his work for the Foundation.

In July 2021, the Board developed a new and more transparent process to recruit Board members, before conducting a recruitment campaign. Our Articles of Association stipulate that no more than half the Board can be non-members of The Magic Circle. At this time, it was determined that the Board would benefit most from non-members as they would be impartial to The Magic Circle internal issues and they would bring specific skills that the Board required. The Board's intention was to find suitable individuals who had skills in fund raising, law and human resources.

At the 2021 AGM, three new independent trustees were elected. These included Mr Martin Kaufman, a specialist in charitable fundraising with a wealth of experience including work with the National Trust,

Hackney Empire Theatre and the Museum of London; and Mr Neil Pritchard, the CFO of a cyber technology company with a strong track record in business transformation, property management and human resources. I am the third of the newly appointed trustees. I have over 30 years' experience as a City solicitor with one of the legal world's 'magic circle' law firms, and have experience with HR, financial management matters and mediation.

It was also at the 2021 AGM that Mr David Cheeseman stepped down as a trustee. David has been on the Board since 2012 and provided expertise in HR and the transport sector. In recent years, David has provided essential support in dealing with a difficult HR issue and has provided additional support throughout the COVID lockdown period. David also agreed kindly to stay on the Board in a co-opted position to further support the newly appointed trustees during their transition period. David will be formally stepping down from the Board at the 2022 AGM. I would like to thank David for his long-term dedication to the work of the Foundation.


During the reporting period, Mr Brian Sibley has been interim Chair. Brian has been a highly respected member of The Magic Circle for many years, taking on a number of roles including being Chair of Council. Brian joined the Board of Trustees in 2012, and when Peter Kyle stepped down as Chair of the Foundation in 2020, Brian agreed to take on the role for an interim period. While our Articles of Association allow a standing member of The Magic Circle to chair the Board, it is more usual for the role to be held by an independent trustee. In the interests of impartiality, Brian decided to resign from The Magic Circle in order to take on the role of Chair of the Foundation. As interim Chair, Brian successfully led the organisation through much of the COVID lockdown period. He also extended his tenure in order to facilitate the recruitment of new trustees. Brian stood down as Chair in June 2022 and will step down as a trustee at the 2022 AGM. I thank Brian for his leadership and dedication to the Foundation, and for the support he has offered to me and my fellow newly appointed trustees.

The Board is currently made up of nine trustees: Sarah Campbell, Martin Kaufman, Megan Knowles Bacon, Barry Harris (Treasurer), Neil Pritchard, Stuart Scott (Secretary), Brian Sibley, Garry Thomas, and me, Vimal Tilakapala (Chair).

The Foundation is, as always, very grateful to members of The Magic Circle who 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. Your continued support and enthusiasm is essential to the success of this enterprise.

Vimal Tilakapala
Chair of the Board



5/12/22

Company Details

Executive Committee / Board of Trustees

| Member | Appointed | Changes |
|--|---|--|
| Mr Noel Britten <i>President of The Magic Circle & Trustee</i> | 02/09/2019 | Resigned 10/04/2021 |
| Ms Sarah Campbell <i>Trustee</i> | 23/05/2018 | |
| Mr David Cheeseman <i>Independent Trustee / Co-opted member</i> | 23/05/2012 27/10/2021 (Co-opted) | Resigned 27/10/2021 but co-opted to Board (To stand down at 2022 AGM) |
| Mr Barry Harris <i>Treasurer & Trustee</i> | 02/10/2017 | |
| Mr Martin Kaufman <i>Independent Trustee</i> | 27/10/2021 | Elected to Board at 2021 AGM |
| Ms Megan Knowles-Bacon <i>President of The Magic Circle & Trustee</i> | 18/04/2021 (Acting) 13/09/2021 (President) | Ex-officio member of Board from 18/04/2021, first as Acting President, then as President from 13/09/2021 |
| Mr Neil Pritchard <i>Independent Trustee</i> | 27/10/2021 | Elected to Board at 2021 AGM |
| Mr Brian D Sibley <i>Interim Chair & Independent Trustee</i> | 06/10/2014 | Chair from 05/10/2020 until 01/06/2022 (To stand down at 2022 AGM) |
| Mr Stuart Scott <i>Secretary & Trustee</i> | 25/07/2018 | |
| Mr Garry Thomas <i>Trustee</i> | 17/07/2017 | |
| Mr Vimal Tilakapala <i>Chair & Independent Trustee</i> | 27/10/2021 | Elected to Board at 2021 AGM Chair from 01/06/2022 |

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 2022.

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 2021-22 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, Mr M Kauffman, Mr N Pritchard, Mr M Tilakapala

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 369 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 TMC, and Mr Darren Martin, the Centre Director. 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 TMC Ltd and its subsidiary CMAT Ltd together.

Objectives and Activities

The main object of the charity, TMCF Ltd, 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 on-going challenging trading conditions, the company generated an improved surplus compared with 2020-21, achieved through a combination of increased revenue from shows and venue hire, good control of costs, and government Covid-19 related business closure grants totalling £34,054.

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 all!

The plans of the HS2 company, HS2 Ltd, to re-construct Euston Station. HS2 Ltd are ongoing. The building on the east side of 12 Stephenson Way (Wolfson House) has been demolished, 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 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 these organisations are charities. We are very grateful for the contributions that these charities make alongside us when working on HS2 matters.

While the long-term impact of Covid-19, Brexit, and spiralling costs on the ability of the trading company to generate income for the Foundation is not yet clear we will have to continue to adapt and find new ways of working during 2022-23. 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 £23,810 is significantly higher than last year's surplus of £2,863, an increase of £20,947. The on-going challenges during 2021-22 resulted in the trading company making a loss for a second consecutive year. 2020-21 was the first time this happened since the company started trading in 2013. The Foundation was able to still make a modest surplus as a result of an increased charge to the Magic Circle for use of the building, donations, and government covid related grants.

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

| | |
|-----------------|--|
| £ 45,630 | increase in general income |
| £ (5,055) | decrease in YMC income |
| £ 4,200 | decrease in HS2 related costs |
| £ (29,626) | increase in other operating costs |
| <u>£ 5,798</u> | decrease in cost due to YMC activities |
| <u>£ 20,947</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 £499,185 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 over £411,000, an increase of £15,000 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 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 to maximise income from the corporate hire of the building. The current economic uncertainties will continue to keep trading conditions challenging. This will continue to be closely monitored.

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

As part of the Foundation's strategy, the Board will be 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 plans to develop 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 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.

While the current economic, and geopolitical, uncertainties remain the Trustees are unable to predict the associated risks with a degree of certainty. 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.

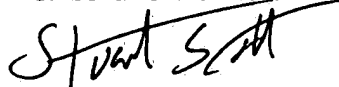
In so far as the trustees are aware:

- 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

A handwritten signature in black ink, appearing to read 'Stuart Scott', written over a horizontal line.

Stuart Scott
Secretary

31.3.2022

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 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and 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.

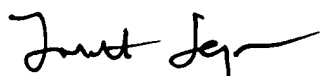
The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing 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

For and behalf of

Moore Kingston Smith LLP
Chartered Accountants
The Old Vinyl Factory,
Blyth Road, London UB3 1HA

Date:

5 December 2022

Statement of Financial Activities
(incorporating income and expenditure account)
for the year ended 31 March 2022

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|------------------------------|------|----------------------------|--------------------------|-----------------------|-----------------------|
| | 1 | | | | |
| Income from: | | | | | |
| Donations and legacies | | 11,638 | - | 11,638 | 564 |
| Other trading activities | | 133,741 | - | 133,741 | 106,219 |
| Government grants | | 34,054 | - | 34,054 | 26,941 |
| Investments | | 0 | - | 0 | 78 |
| Charitable activities | | 7,562 | - | 7,562 | 12,617 |
| Total income | | <u>186,995</u> | <u>-</u> | <u>186,995</u> | <u>146,419</u> |
| | 2 | | | | |
| Expenditure on: | | | | | |
| Raising funds | | (155,889) | - | (155,889) | (130,500) |
| Charitable activities | | (7,296) | - | (7,296) | (13,056) |
| Total expenditure | | <u>(163,185)</u> | <u>-</u> | <u>(163,185)</u> | <u>(143,556)</u> |
| Net movement in funds | | 23,810 | - | 23,810 | 2,863 |
| Funds Brought Forward | | 474,155 | 1,220 | 475,375 | 472,512 |
| Funds Carried Forward | | <u>497,965</u> | <u>1,220</u> | <u>499,185</u> | <u>475,375</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 ("TMCF") (formerly Centre for the Magic Arts Limited). Profits generated by CMAT are paid to TMCF by way of a charitable donation.

Balance Sheet
as at 31 March 2022

| | Note | <u>2022</u> | | <u>2021</u> | |
|---|------|-----------------|-----------------------|-----------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 4 | | 5,452 | | 10,055 |
| Current assets | | | | | |
| Debtors | 5 | 418,343 | | 345,595 | |
| Cash at bank and in hand | | 127,651 | | 174,794 | |
| | | <u>545,994</u> | | <u>520,389</u> | |
| Creditors, amounts falling due within one year | 6 | <u>(18,327)</u> | | <u>(10,902)</u> | |
| Net Current Assets | | | 527,667 | | 509,487 |
| Creditors, amounts falling due after one year | 7 | | (33,934) | | (44,167) |
| Net Assets | | | <u>499,185</u> | | <u>475,375</u> |
| Represented by: | | | | | |
| Restricted funds | 8 | | 1,220 | | 1,220 |
| Unrestricted funds | 8 | | 497,965 | | 474,155 |
| | | | <u>499,185</u> | | <u>475,375</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 5 December 2022 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 include 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 2022 £ | Total 2021 £ |
|--|---|------------------------|-----------------|-----------------|-----------------|
| Costs allocated directly to activities: | | | | | |
| Independent examination | - | - | 3,500 | 3,500 | 3,080 |
| Legal and professional | - | - | - | - | 4,200 |
| Young Magician's Club | 7,296 | - | - | 7,296 | 13,056 |
| Support costs for activities: | | | | | |
| Staff salaries & tax | 51,165 | 26,356 | - | 77,521 | 68,392 |
| Premises costs | 36,420 | 20,863 | - | 57,283 | 40,741 |
| Office costs | 5,806 | 2,991 | - | 8,797 | 7,140 |
| Depreciation | 4,318 | 2,225 | - | 6,543 | 6,415 |
| Bank charges & interest | 1,032 | 606 | 606 | 2,244 | 533 |
| Total expenditure | 106,037 | 53,042 | 4,106 | 163,185 | 143,556 |

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 £98,741 (2021: £81,219).

| | Trading activities and public events (recharged to CMAT) £ | Centre Management £ | Governance £ | Total 2021 £ |
|--|---|------------------------|-----------------|-----------------|
| Costs allocated directly to activities: | | | | |
| Independent examination | - | - | 3,080 | 3,080 |
| Legal and professional | - | - | 4,200 | 4,200 |
| Young Magicians Club | 13,056 | - | - | 13,056 |
| Support costs for activities: | | | | |
| Staff salaries & tax | 45,139 | 23,253 | - | 68,392 |
| Premises costs | 26,889 | 13,852 | - | 40,741 |
| Office costs | 4,712 | 2,428 | - | 7,140 |
| Depreciation | 4,234 | 2,181 | - | 6,415 |
| Bank charges & interest | 245 | 144 | 144 | 533 |
| Total expenditure | 94,275 | 41,858 | 7,424 | 143,556 |

3 Staff costs

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Staff costs: | | |
| Contracted staff | 13,859 | 11,014 |
| Wages and salaries | 59,000 | 55,000 |
| Social security costs | 4,662 | 2,378 |
| Pension | - | - |
| | <u>77,521</u> | <u>68,392</u> |
| | | |
| | 2022 | 2021 |
| Average monthly number of employees, by function: | | |
| Centre Director | 1 | 1 |
| | <u>1</u> | <u>1</u> |

No employee received emoluments in excess of £60,000 p.a. (2021: none).

No directors received any remuneration for the year (2021 - £nil).

Expenses reimbursed to directors aggregated to £nil (2021 - £nil).

The members of the board are key management and do not receive any remuneration (2021: £nil)

4 Tangible Fixed Assets

| | Library equipment £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|----------------------------|---------------------------|---|----------------------------|----------------|
| Cost: | | | | |
| As at 1 April 2021 | 6,590 | 227,209 | 22,099 | 255,898 |
| Additions | - | 707 | 1,232 | 1,939 |
| As at 31 March 2022 | <u>6,590</u> | <u>227,916</u> | <u>23,331</u> | <u>257,837</u> |
| Depreciation: | | | | |
| As at 1 April 2021 | 6,590 | 219,929 | 19,323 | 245,842 |
| Charge for the year | - | 3,698 | 2,845 | 6,543 |
| As at 31 March 2022 | <u>6,590</u> | <u>223,627</u> | <u>22,168</u> | <u>252,385</u> |
| Net book value: | | | | |
| As at 31 March 2022 | <u>-</u> | <u>4,289</u> | <u>1,163</u> | <u>5,452</u> |
| | | | | |
| As at 1 April 2021 | <u>-</u> | <u>7,280</u> | <u>2,776</u> | <u>10,055</u> |

5 Debtors

| | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts due from subsidiary company | 393,236 | 304,465 |
| Prepayments and accrued income | 20,659 | 39,234 |
| Other debtors | 4,448 | 1,896 |
| | <u>418,343</u> | <u>345,595</u> |

6 Creditors, amounts falling due within one year

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Accruals and deferred income | 3,793 | 3,617 |
| Other creditors | 4,527 | 1,452 |
| Covid Recovery Bounce Back Loan Scheme | 10,007 | 5,833 |
| | <u>18,327</u> | <u>10,902</u> |

7 Creditors, amounts falling due after one year

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Covid Recovery Bounce Back Loan Scheme | 33,934 | 44,167 |
| | <u>33,934</u> | <u>44,167</u> |

8 Movement in Funds

| | As at 1 April 2021 £ | Total income £ | Total expenditure £ | As at 31 March 2022 £ |
|-------------------------------|----------------------------|-------------------|---------------------------|-----------------------------|
| 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: | 474,155 | 186,995 | (163,185) | 497,965 |
| General Funds brought forward | <u>475,375</u> | <u>186,995</u> | <u>(163,185)</u> | <u>499,185</u> |

| | 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: | 471,292 | 146,419 | (143,556) | 474,155 |
| General fund brought forward | <u>472,512</u> | <u>146,419</u> | <u>(143,556)</u> | <u>475,375</u> |

9 Analysis of Net Assets between Funds

| | Tangible fixed assets £ | Net current assets £ | Liabilities due >1 year £ | Total 2022 £ |
|---------------------------|--|-------------------------------------|---|-----------------------------|
| Restricted funds: | | | | |
| Young Magicians | - | 83 | - | 83 |
| Equipment | - | 1,137 | - | 1,137 |
| Museum | - | 1,220 | - | 1,220 |
| Unrestricted funds | 5,452 | 526,447 | (33,934) | 499,185 |
| | <u>5,452</u> | <u>527,667</u> | <u>(33,934)</u> | <u>499,185</u> |

| | 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> |

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 371 members.

11 Related Parties

During the year the company charged The Magic Circle £35,000 (2021: £25,000) for the use of 12 Stephenson Way. M.Knowles-Bacon, who is a trustee of The Magic Circle Foundation Limited, is also a member 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 £0 (2021: £296) due from The Magic Circle. Included in other creditors at the year end is £0 (2021: £945) 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 £27,198 (2021: net loss £83,129) in the year.