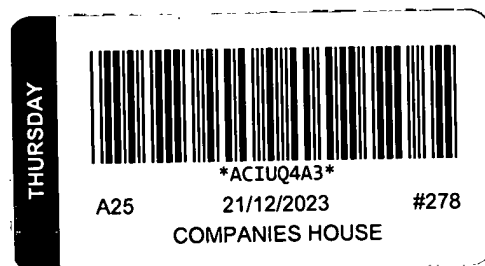


THE MAGIC CIRCLE FOUNDATION LIMITED
(formerly Centre For The Magic Arts Limited)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2023

Company No: 02155182
Registered Charity No: 297582



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Chairman's Statement

This financial year (2022-23) we are very pleased to have welcomed as new members of the Magic Circle Foundation Limited (the Foundation), 339 members of The Magic Circle (TMC). This brings our total membership to 342. Only three members of TMCF are not members of TMC. These are our three Independent Trustees, Martin Kaufman, Neil Pritchard, and me. 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.

Financial Results

Trading conditions, in terms of overall income, have continued to improve throughout 2022-23 following the impact of COVID -19 in 2020-21 and the gradual recovery in 2021-22. In 2022-23 we managed to maintain the same overall income as the previous year but without the grant support received in that year. However, premises costs have more than doubled compared with 2021-22, the main contributing factor being large increases in energy costs. This, together with other factors mentioned below, has led to a loss for the 2022-23 financial year.

Our financial results are explained in more detail in the Trustees' Annual Report below, but highlights include (to the nearest hundred pounds):

An annual consolidated loss of £800

This represents a loss for TMCF of £23,400 combined with a trading profit of £22,600.

Combined reserves now stand at £388,050.

Reserves are necessary to ensure that any emergency concerning the viability of The Magic Circle headquarters at 12 Stephenson Way (our Headquarters) can be resolved promptly and that, should it ever be necessary, the Charity can be discontinued in an orderly way.

Our wholly owned subsidiary, the Centre for the Magic Arts (Trading) Ltd (CMAT) is responsible for handling all the trading activities relating to shows, venue hire and bar and shop sales, while the Foundation (the parent charity) handles the upkeep of the Headquarters and staff/contractor employment (recharging a proportion of its costs to CMAT). All surpluses made by CMAT are transferred to the Foundation and I am pleased to note that CMAT was able to generate a surplus in 2022-23, having been unable to achieve this in 2021-22.

HS2

We are significantly affected by the construction work relating to HS2 as our Headquarters is in the heart of the construction zone around Euston and a large part of our income relies on use of our building for performances and corporate hires.

Despite reports that the central London element of HS2 is to be cancelled, construction work is likely to have an impact on us for at least the next ten years.

In order to protect our future business at our Headquarters, 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 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, Trustee,

Garry Thomas, for their willingness to attend regular meetings and engage with HS2 and their contractors.

Managing a very public-facing building during these difficult times, including in particular the demolition of the building adjacent to us, has been challenging, 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 Trustees' heartfelt thanks to Centre Director, Darren Martin, for his continued care of our building and its contents and for the sterling efforts of him and the team as we continue to maintain, improve, and develop our programme of events.

Outlook for 2023-24

We anticipate the outcome for the current year 2023-24 to remain challenging for us with the continued combined impacts of HS2 and uncertain economic conditions. The energy market remains volatile but we have new contracts in place with suppliers and so our 2023-24 energy costs should be less problematic than for last year.

Our overall results will depend on public appetite for live performances and corporate interest in venue hire. In this regard we will continue to promote our venue for hiring and public events whilst actively seeking new approaches to its use and promotion.

Looking Forward

The Board has been working to develop a clear strategic direction for the Foundation. Led by Neil Pritchard and Martin Kaufman, the Board has reviewed our mission, values and objectives. We have explored where we are as an organisation, and how we feel the Foundation should develop. We have reached out to key Magic Circle volunteers from the museum, library, archive, theatre team, public events team, YMC and TMC Council and conducted a fact-finding exercise. The work will soon be ready to share, and we intend this to form the basis for a fund-raising strategy to help us expand and improve the impact of the Foundation.

Young Magicians Club

Since April 2019, the Foundation has been responsible for the Young Magicians Club (YMC), TMC's long-running youth initiative. YMC is a key avenue for furtherance of the Foundation's educational objective which is a central aspect of our charitable status. In 2022, YMC Chair, Kevin Doig stepped down from his role, and I would like to thank him for his passion and commitment to the Club over the years. Kevin was replaced by two co-Chairs, Edward Hilsum and Harry De Cruz, both of whom are former YMC members. I would like to congratulate them on their appointments. They have brought with them an energy and enthusiasm that is already invigorating the club.

Goodbyes

For the duration of this reporting period, we have worked closely with TMC President, Megan Swann and TMC Vice President, Katherine Rhodes, each of whom have played important roles in supporting the work of the Foundation.

Katherine has contributed in several important and significant ways to the running of the Foundation, from photographing museum artefacts to leading on some key building issues. One of her notable contributions has been her role as producer of our flagship Christmas show.

Megan, TMC's first female president, and an ex officio Foundation Board member, has been instrumental in raising the profile of the whole organisation and acting as a role model for young aspiring magicians. As well as being an excellent President and contributing valuably as a Foundation Board member, she worked tirelessly to bring the Club together in the post-COVID era and played a pivotal role in developing the relationship between TMC Council and the Foundation Board.

I thank Katherine and Megan for their work and their support for the Foundation.

During this period, we also said goodbye to two trustees whose dedication to the Foundation has been exceptional.

First, I would like to thank David Cheeseman, who stood down officially as a trustee in 2021, but agreed to stay on in a co-opted role to provide continuity when new non-magician trustees were appointed. David had been on the Board since 2012 and provided essential expertise in particular in HR related matters.

We also said goodbye to Brian Sibley, who had been a trustee since 2014 and had previously served on the Board in 2011. Brian took on the role of interim trustee in 2020 and steered the organisation through one of the most challenging periods in its history. While the Articles of Association allow a standing member of TMC to chair the Board in exceptional circumstances, Brian opted to sacrifice his prized TMC membership for the sake of impartiality. Brian agreed to extend his tenure to enable new, non-magician trustees to settle into their roles, and only stood down at the 2022 AGM. I thank Brian for his leadership and long-term dedication to TMCF.

The current Board

With Megan Swann standing down at TMC's 2023 AGM, we warmly welcome the newly elected TMC president Marvin Berglas as an ex-officio member of the Foundation Board. Marvin is the founder and director of Marvin's Magic, the world's largest magic company, and his knowledge of business combined with his knowledge of the world of magic will be a great asset to the Foundation.

The Foundation Board is currently made up of eight trustees: Marvin Berglas, Sarah Campbell, Martin Kaufman, Barry Harris (Treasurer), Neil Pritchard, Stuart Scott (Secretary), Garry Thomas, and me, Vimal Tilakapala (Chair). In the coming year, we will seek to appoint a ninth trustee.

The Foundation is, as always, extremely grateful to members of TMC 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", "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. In a market place where we must compete with the latest blockbuster films and West End theatre on our doorstep, we are proud to consistently field world class magical performers and to sell out most of our public events.

We rely 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. We also rely on volunteers to maintain our extensive and prized library and museum in our Headquarters. 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 are essential to the success of our wonderful organisation.

Vimal Tilakapala
Chair of the Board

Company Details

Executive Committee / Board of Trustees

Member	Appointed	Changes
Mr Marvin Berglas	04/09/2023	
Ms Sarah Campbell <i>Trustee</i>	23/05/2018	
Mr Barry Harris <i>Treasurer & Trustee</i>	02/10/2017	
Mr Martin Kaufman <i>Independent Trustee</i>	27/10/2021	
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 until 04/09/2023
Mr Neil Pritchard <i>Independent Trustee</i>	27/10/2021	
Mr Brian Sibley	06/10/2014	Resigned 17/11/2022
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 2023.

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 2022-23 AGM, are:

Mr Marvin Berglas, Ms SJ Campbell, Mr B Harris, Mr SA Scott,
Mr G Thomas, Mr M Kauffman, Mr N Pritchard, Mr V Tilakapala

We thank our very able accountant (Karen Butler) and bookkeeper (Sally Young) for dealing with financial matters 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 410 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 hold regular board meetings 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. 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 TMCF 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, 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 more income compared with 2021-22, achieved through increased revenue from shows and venue hire. However, the cessation of Covid 19 related government grants at the end of 2021-22 meant that the overall income for 2021-22 and 2022-23 was very similar. This, combined with the effective doubling of premises costs in 2022-23 has resulted in an overall loss for the financial year. The particular challenge being, of course, the large rise in energy costs.

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 continues to be assessed.

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 remain ongoing despite the cancelation of certain aspects of HS2. 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. The members of this group, who all own premises around Stephenson Way, are The Royal College of General Practitioners, The Welcome 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. 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 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 loss for the year of £23,394 is disappointing compared with the surplus achieved on 2021-22. However, despite the on-going challenges during 2022-23 the trading company made a surplus of £22,585 compared with a loss in the previous two years. It should be noted that the consolidated position of the two companies is an overall loss of £809.

The Foundation was unable to achieve an overall surplus as a direct result of the large increases in costs, in particular energy costs.

Despite making a profit in 2022-23 the trading company was unable to make a donation to TMCF as it is only able to distribute positive reserves. The trading company is required to make sufficient profit to counter the losses experienced during the COVID pandemic before any profits can be distributed to TMCF. Prior to the first lockdown in 2020 the trading company had never made a loss since it started trading in 2013

The main components of the loss this year were:

£ (23,169)	decrease in general income
£ 1,603	increase in YMC income
£ (11,216)	increase in utility costs
£ (20,261)	increase in other operating costs
<u>£ 5,839</u>	decrease in cost due to YMC activities
<u>£ (47,204)</u>	Total net change

The loss for the year combined with the surplus made by the trading company equates to a loss of £809 taking the reserves of both companies together to £388,050 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 £419,000, an increase of £8,000 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 Centre Director 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 economic climate 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.

While the current economic 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.

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.

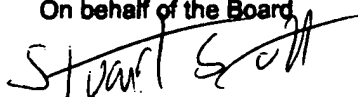
In so far as the trustees are aware:

- 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

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 2023.

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.

Moore Kingston Smith LLP

Jonathan Seymour

For and behalf of

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

Date: *19 December 2023*

Statement of Financial Activities
(incorporating income and expenditure account)
for the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
	1				
Income from:					
Donations and legacies		2,200	-	2,200	11,638
Other trading activities		153,430	-	153,430	133,741
Government grants		-	-	-	34,054
Charitable activities		9,799	-	9,799	7,562
Total income		<u>165,429</u>	<u>-</u>	<u>165,429</u>	<u>186,995</u>
	2				
Expenditure on:					
Raising funds		(187,293)	-	(187,293)	(155,889)
Charitable activities		(1,530)	-	(1,530)	(7,296)
Total expenditure		<u>(188,823)</u>	<u>-</u>	<u>(188,823)</u>	<u>(163,185)</u>
Net movement in funds		(23,394)	-	(23,394)	23,810
Funds Brought Forward		497,965	1,220	499,185	475,375
Funds Carried Forward		<u>474,571</u>	<u>1,220</u>	<u>475,791</u>	<u>499,185</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.

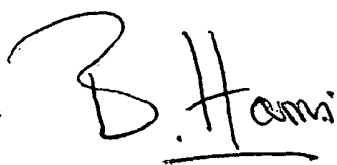
Balance Sheet
as at 31 March 2023

	Note	<u>2023</u>		<u>2022</u>	
		£	£	£	£
Fixed assets:					
Tangible fixed assets	4		2,279		5,452
Current assets					
Debtors	5	386,884		418,343	
Cash at bank and in hand		<u>132,600</u>		<u>127,651</u>	
		519,484		545,994	
Creditors, amounts falling due within one year	6	<u>(22,809)</u>		<u>(18,327)</u>	
Net Current Assets			496,675		527,667
Creditors, amounts falling due after one year	7		(23,163)		(33,934)
Net Assets			<u><u>475,791</u></u>		<u><u>499,185</u></u>
Represented by:					
Restricted funds	8		1,220		1,220
Unrestricted funds	8		<u>474,571</u>		<u>497,965</u>
			<u><u>475,791</u></u>		<u><u>499,185</u></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 15th / 12 / 2023 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 2023 £	Total 2022 £
Costs allocated directly to activities:					
Independent examination	-	-	4,450	4,450	3,500
Young Magician's Club	1,419	-	-	1,419	7,296
Support costs for activities:					
Staff salaries & tax	47,797	24,622	-	72,419	77,521
Premises costs	58,393	32,643	-	91,036	57,283
Office costs	7,864	4,051	-	11,915	8,797
Depreciation	2,929	1,509	-	4,438	6,543
Bank charges & interest	1,447	849	849	3,146	2,244
Total expenditure	119,849	63,675	5,299	185,590	163,185

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 £118,430 (2022: £98,741).

	Trading activities and public events (recharged to CMAT) £	Centre Management £	Governance £	Total 2022 £
Costs allocated directly to activities:				
Independent examination	-	-	3,500	3,500
Young Magicians Club	7,296	-	-	7,296
Support costs for activities:				
Staff salaries & tax	51,165	26,356	-	77,521
Premises costs	36,420	20,863	-	57,283
Office costs	5,806	2,991	-	8,797
Depreciation	4,318	2,225	-	6,543
Bank charges & interest	1,032	606	606	2,244
Total expenditure	98,741	53,042	4,106	163,185

3 Staff costs

	2023 £	2022 £
Staff costs:		
Contracted staff	15,750	13,859
Wages and salaries	55,000	59,000
Social security costs	1,669	4,662
	<u>72,419</u>	<u>77,521</u>
	2023	2022
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. (2022: none).

No directors received any remuneration for the year (2022 - £nil).

Expenses reimbursed to directors aggregated to £nil (2022 - £nil).

The members of the board are key management and do not receive any remuneration (2022: £nil)

4 Tangible Fixed Assets

	Library equipment £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost:				
As at 1 April 2022	6,590	227,916	23,331	257,837
Additions	-	266	999	1,265
As at 31 March 2023	<u>6,590</u>	<u>228,182</u>	<u>24,330</u>	<u>259,102</u>
Depreciation:				
As at 1 April 2022	6,590	223,627	22,168	252,385
Charge for the year	-	3,875	563	4,438
As at 31 March 2023	<u>6,590</u>	<u>227,502</u>	<u>22,731</u>	<u>256,823</u>
Net book value:				
As at 31 March 2023	<u>-</u>	<u>680</u>	<u>1,599</u>	<u>2,279</u>
As at 1 April 2022	<u>-</u>	<u>4,289</u>	<u>1,163</u>	<u>5,452</u>

5 Debtors

	2023 £	2022 £
Amounts due from subsidiary company	363,994	393,236
Prepayments and accrued income	20,613	20,659
Other debtors	2,277	4,448
	<u>386,884</u>	<u>418,343</u>

6 Creditors, amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	3,794	3,793
Other creditors	8,627	4,527
Covid Recovery Bounce Back Loan Scheme	10,388	10,007
	<u>22,809</u>	<u>18,327</u>

7 Creditors, amounts falling due after one year

	2023 £	2022 £
Covid Recovery Bounce Back Loan Scheme	23,163	33,934
	<u>23,163</u>	<u>33,934</u>

8 Movement in Funds

	As at 1 April 2022 £	Total income £	Total expenditure £	As at 31 March 2023 £
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:	497,965	165,429	(188,823)	474,571
General Funds brought forward	<u>499,185</u>	<u>165,429</u>	<u>(188,823)</u>	<u>475,791</u>

	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 fund brought forward	<u>475,375</u>	<u>186,995</u>	<u>(163,185)</u>	<u>499,185</u>

9 Analysis of Net Assets between Funds

	Tangible fixed assets £	Net current assets £	Liabilities due >1 year £	Total 2023 £
Restricted funds:				
Young Magicians	-	83	-	83
Equipment	-	1,137	-	1,137
Museum	-	1,220	-	1,220
Unrestricted funds	2,279	495,454	(23,163)	474,571
	<u>2,279</u>	<u>496,674</u>	<u>(23,163)</u>	<u>475,791</u>

	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)	497,965
	<u>5,542</u>	<u>527,667</u>	<u>(33,934)</u>	<u>499,185</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 342 members, including three independent Trustees.

11 Related Parties

During the year the company charged The Magic Circle £35,000 (2022: £35,000) for the use of 12 Stephenson Way. M.Knowles-Bacon, who was a trustee of The Magic Circle Foundation Limited during the year, 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).

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 when there are sufficient reserves.

The subsidiary generated a net profit of £22,585 (2022: net loss £27,198) in the year.