

MAGIC LANTERN

Registered Charity Number: 1048092

FINANCIAL STATEMENTS

for the year ended

31 March 2017

MAGIC LANTERN

CHARITY INFORMATION

Trustees: J Wood
S Eastwell
D Schomberg
L Varley
A Smith
S Phipps
J Hookes

Administrator: M Sanders

Charity number: 1048092

Business address: 8 Harefield Road
London
N8 8QY

Independent Examiners: Fisher Phillips LLP
Chartered Accountants
Summit House
170 Finchley Road
London
NW3 6BP

MAGIC LANTERN

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Trustees submit their annual report and the financial statements for the year ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Reference and administrative details

Name	Magic Lantern
Registered charity number	1048092
Charity's principal address	8 Harefield Road London N8 8QY
Trustees	J Wood S Eastwell D Schomberg L Varley A Smith S Phipps J Hookes
Administrator	M Sanders
Bank	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Structure and governance

The Charity is governed by its Trust Deed dated 15 June 1995. The Charity became registered with the Charity Commission on 2 August 1995.

Trustees are appointed by a Resolution passed at a Special meeting of the Trustees in accordance with the Trust Deed. Training is and will continue to be provided as and when Trustees are inducted.

Objectives and activities

The principal object of the Charity is to advance the education of the public and of school children in particular, in painting and fine art. The Charity also aims to use visual images as a means to enhancing the whole school curriculum and helping to develop a range of skills.

In planning the activities for the year, the Charity has kept in mind the Charity Commission's guidance on public benefit at the trustee meetings. The Charity works to achieve the above objective through the use of slide presentations of famous paintings and sculpture in schools and adult groups including prisons, homeless centres, hospices and residential care homes. The slide presentations are given in an interactive way so that pupils (and teachers) learn through question and answer, copying poses, tracing the painter's brushmarks on the screen and other activities. Authentic artists' materials are shown and their use demonstrated.

The Charity has taken account of the Charity Commission's guidance on public benefit in reviewing its aims and objectives and in planning future activities. The Trustees are satisfied that our activities are in furtherance of the objects of the Charity and are for the public benefit.

Achievements and performance

The team consists of 9 presenters, 4 working in London, 2 in the North East, 1 covering Gloucestershire, Worcestershire and Herefordshire and 2 covering Leicestershire and Northamptonshire. Many of the team hold Art History qualifications, some are teachers and all are skilled communicators.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance cont.

Magic Lantern is the only educational organisation of its kind in the United Kingdom and, we believe, in Europe. Each school session is cross-curricular and interactive. The sessions open up and enhance all areas of the National Curriculum including history, science, maths, geography, literacy, RE and art & design. Children of all ages and abilities are encouraged to participate through a range of activities such as role-play, freeze-frames, soundscapes and dialogue. Crucial skills are developed including speaking and listening, critical thinking, communication, visual observation and confidence.

Every session is evaluated by the teacher whose comment sheet is then returned to the Magic Lantern's founder Diana Schomberg. These evaluation forms continue to show that Magic Lantern's sessions are of enormous educational benefit to children and to their teachers.

This year 375 slide presentations were given, mostly in inner city schools. This is where the pupils who gain the most are often those with learning problems.

During the financial year 2016-17 the charity launched its new promotional video (<http://www.magiclanternart.org.uk/what-we-do/magic-lantern-video/>) which was produced pro bono by award winning filmmaker Nimer Rashed. The film has been seen over two thousand times on Facebook. The charity also created a new flyer to send to schools in the areas where it operates (<http://www.magiclanternart.org.uk/wp-content/uploads/2016/10/MAGICLANTERN-Leaflet-Oct-16.pdf>). The team was boosted with the addition of two new presenters in Southwark and Gloucestershire, Herefordshire and Worcestershire

The Charity has two patrons, the renowned children's author and illustrator James Mayhew and the distinguished art historian Will Vaughan.

Financial review

The Charity achieved a net deficit for the year of £1,179, which is in line with the expectations of the Trustees. Magic Lantern receives no public funding and relies entirely on donations and schools' fees. The Trustees are very grateful for the donations received during the year of £21,980.

School fees amounted to £12,673, an average of £34 per presentation. The average school fee in the year was £60. Schools booking 6 presentations continue to be charged for 5. In some boroughs and for some programmes it is possible for the Charity to offer free presentations. Furthermore, a considerable amount of teaching is directed towards areas where most of the children come from low-income families. Almost half of all the presentations were given free of charge. This is all made possible by the generous donations we receive from our supporters.

The Presenters' fees cover contacting schools, tailoring a programme to the class teacher's specific requirements, travel and setting up (often a lengthy and difficult process) and reporting back to the Administrator. Presenters are paid by the Administrator on receipts of evaluation sheets.

In previous years, administration services were provided voluntarily. From 1st April 2010 Matthew Sanders' professional fees have been paid by the Charity.

Reserves policy

The charity's reserve policy is to maintain sufficient reserves to enable operating activities to be maintained, taking account of potential risks that may arise from time to time. This policy is reviewed annually by the Trustees.

Independent Examiner

Fisher Phillips LLP was re-appointed as Independent Examiner during the year. The Trustees are very grateful to Fisher Phillips LLP for carrying out the examination without charge.

On behalf of the Trustees on 18 October 2017.

L Varley
Trustee

J Wood
Trustee

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAGIC LANTERN

I report on the accounts of the charity for the year ended 31 March 2017 which are set out on pages 4 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Caroline Harvey FCCA CTA

18 October 2017

Fisher Phillips LLP Chartered Accountants

Summit House
170 Finchley Road
London NW3 6BP

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*STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017*

	Notes	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Income:					
Voluntary income:					
Donations and grants	2	15,760	6,220	21,980	34,800
Incoming resources from charitable activities:					
Fees for sessions		3,910	8,763	12,673	8,820
Investment income:					
Bank interest		-	1,332	1,332	1,454
Total income		<u>19,670</u>	<u>16,315</u>	<u>35,985</u>	<u>45,074</u>
Expenditure:					
Charitable activities		(17,480)	(19,684)	(37,164)	(37,353)
Governance costs		-	-	-	-
Total expenditure	3	<u>(17,480)</u>	<u>(19,684)</u>	<u>(37,164)</u>	<u>(37,353)</u>
Net income/(expenditure) for the year		<u>2,190</u>	<u>(3,369)</u>	<u>(1,179)</u>	<u>7,721</u>
Other gains / (losses)		-	-	-	-
Net movement in funds		<u>2,190</u>	<u>(3,369)</u>	<u>(1,179)</u>	<u>7,721</u>
Reconciliation of funds:					
Funds brought forward at 1 April 2016		39,402	66,341	105,743	98,022
Transfer of funds		-	-	-	-
Funds carried forward at 31 March 2017	7	<u>41,592</u>	<u>62,972</u>	<u>104,564</u>	<u>105,743</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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BALANCE SHEET AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets			-		-
CURRENT ASSETS					
Debtors	5	-		-	
Cash at bank and in hand		104,564		105,743	
		<u>104,564</u>		<u>105,743</u>	
CREDITORS: Amounts falling due within one year	6	-		-	
NET CURRENT ASSETS			<u>104,564</u>		<u>105,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>104,564</u>		<u>105,743</u>
CAPITAL AND RESERVES					
Restricted funds	7	41,592		39,402	
Unrestricted funds	7	62,972		66,341	
	7	<u>104,564</u>		<u>105,743</u>	

The financial statements were approved by the Trustees on 18 October 2017.

L Varley
Trustee

J Wood
Trustee

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 **Accounting convention**

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 - effective 1 January 2015) - (Charities SORP FRS 102).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 **Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2015. No restatements were considered necessary.

1.3 **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income mainly comprise donations received and school fees paid in the year.

1.5 **Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.7 **Expenditure and irrecoverable VAT**

Resources expended are included in the statement of financial activities on a paid basis, inclusive of VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain of the shared costs have been apportioned on the basis of an estimate of time spent by and by an estimate of other resources utilised.

1.8 **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity

1.9 **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 **Cash at bank and in hand**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

ACCOUNTING POLICIES (CONTINUED)

1.11 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.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. DONATIONS AND GRANTS

During the year the charity received donations from the following organisations:

	Restricted	Unrestricted	2017 Total	2016 Total
	£	£	£	£
Mrs Cicely Pickering	5,000	-	5,000	5,000
Mulberry Trust	4,500	5,500	10,000	10,000
Hampstead Heath Decorative & Fine Arts Society	1,120	-	1,120	780
Diana and Ray Schomberg	4,500	-	4,500	7,100
John Lyon's Charity	-	-	-	5,200
Aldgate & Allhallows	-	-	-	4,750
Various donations < £500	640	720	1,360	1,970
Gift Aid tax received	-	-	-	-
	<u>15,760</u>	<u>6,220</u>	<u>21,980</u>	<u>34,800</u>

3. RESOURCES EXPENDED

	Charitable activities Restricted Funds £	Charitable activities Unrestricted Funds £	Governance Costs Restricted Funds £	2017 Total £	2016 Total £
Presenter fees	11,200	12,210	-	23,410	23,850
Materials	-	9	-	9	9
Travel and subsistence	-	625	-	625	137
Administrator's fee	5,925	5,925	-	11,850	11,863
Printing, postage and stationery	355	140	-	495	196
Telephone	-	31	-	31	42
Computer and website costs	-	318	-	318	654
Insurance	-	266	-	266	258
Other general costs	-	160	-	160	344
	<u>17,480</u>	<u>19,684</u>	<u>-</u>	<u>37,164</u>	<u>37,353</u>

4. TRUSTEES' REMUNERATION

No remuneration was paid to the Trustees in either year nor did they receive any expenses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. DEBTORS

	2017	2016
	£	£
Other debtors	-	-
	<u>-</u>	<u>-</u>

6. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Other creditors	-	-
	<u>-</u>	<u>-</u>

7. FUNDS

	At 1 April 2016	Incoming resources	Resources expended	Transfer between funds	At 31 March 2017
	£	£	£	£	£
Restricted reserves:					
a. Aldgate & Allhallows Barking Exhibition Foundation	3,780	360	(2,640)	-	1,500
b. Mrs Cicely Pickering	9,703	2,500	(960)	-	11,243
c. Mrs Cicely Pickering	8,285	3,300	(1,400)	-	10,185
d. Gillian Dickinson Trust	250	-	-	-	250
e. Gillian Dickinson Trust	1	-	-	-	1
f. John Lyon's Charity	3,790	1,750	(4,880)	-	660
g. J.P. Morgan	2,120	-	-	-	2,120
h. St Olave's & St Saviour's Schools Foundation	180	-	-	-	180
i. Mulberry Trust	-	4,500	(1,425)	-	3,075
j. Hampstead Heath Decorative & Fine Arts Society	4,860	2,220	(355)	-	6,725
k. John Davie Fund	129	-	-	-	129
l. University of Winchester	157	-	(120)	-	37
m. Durham Shopping Extravaganza	210	-	-	-	210
n. Diana and Ray Schomberg	6,057	-	(780)	-	5,277
o. Newcomen Collett Foundation	(120)	540	(420)	-	-
p. Diana Schomberg	-	4,500	(4,500)	-	-
	<u>39,402</u>	<u>19,670</u>	<u>(17,480)</u>	<u>-</u>	<u>41,592</u>
Unrestricted reserves	66,341	16,315	(19,684)	-	62,972
	<u><u>105,743</u></u>	<u><u>35,985</u></u>	<u><u>(37,164)</u></u>	<u><u>-</u></u>	<u><u>104,564</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The unrestricted reserves represent the available funds of the charity which are not designated for particular purposes.

All restricted reserves are represented by cash at bank within the balance sheet. Purposes of the restricted funds are as follows:-

- a. **Aldgate & Allhallows Barking Exhibition Foundation**
To provide free sessions, particularly on Magic Lantern's history topics, in Tower Hamlets.
- b. **Mrs Cicely Pickering**
To contribute towards the costs of workshops run in Hackney.
- c. **Mrs Cicely Pickering**
To contribute towards the costs of workshops run in Lambeth and Wandsworth.
- d. **Gillian Dickinson Trust**
To contribute towards the costs of workshops run in the North East.
- e. **Gillian Dickinson Trust**
To contribute towards a pilot project involving a lesson in school, followed by a visit to The Laing Art Gallery in Newcastle to see the pictures discussed and then return to the school for further discussion.
- f. **John Lyon's Charity**
To contribute towards the costs of workshops run in the John Lyon's area (currently Barnet, Brent, Camden, Hammersmith and Fulham, Kensington and Chelsea and Westminster).
- g. **J.P. Morgan**
To contribute towards the costs of workshops run by the charity.
- h. **St Olave's & St Saviour's Schools Foundation**
To contribute towards twenty 1 hour workshop sessions in Art, Design, History to Southwark Primary Schools.
- i. **Mulberry Trust**
To contribute towards the Administrators annual costs.
- j. **Hampstead Heath Decorative & Fine Arts Society**
To contribute to Magic Lantern's administrative costs.
- k. **John Davie Fund**
To provide 7 free sessions in schools in Devon.
- l. **University of Winchester**
To contribute towards free sessions in Hampshire.
- m. **Durham Shopping Extravaganza**
To contribute towards free sessions in the North East.
- n. **Diana and Ray Schomberg**
To contribute towards sessions in hospitals and to disadvantaged adult groups, for example in prisons.
- o. **Newcomen Collett Foundation**
To contribute towards workshop sessions in Art/Design/History to Southwark Primary Schools. It has been agreed that Magic Lantern are allowed to incur expenses in advance of receiving funds, with £120 being incurred prior to 1 April 2016.
- p. **Diana Schomberg**
To contribute towards the Administrators annual costs.

8. CONTROL

The charity is controlled by its Trustees.

9. RELATED PARTY TRANSACTIONS

The charity has no related party transactions to disclose