

The Reece Foundation

(A company limited by guarantee)

Annual report

31 December 2019

The Reece Foundation

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 4
Trustees' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 19

The Reece Foundation

(A company limited by guarantee)

Reference and administrative details

Year ended 31 December 2019

Trustees

A D Reece, Chair
S P Gilroy
E Morgan
J Reece
D R Sandbach

Company registered number

06361547

Charity registered number

1121325

Registered office

Armstrong Works
Scotswood Road
Newcastle upon Tyne
NE15 6UX

Company secretary

A D Reece

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

The Reece Foundation

(A company limited by guarantee)

Trustees' report

Year ended 31 December 2019

The trustees present their annual report together with the audited financial statements of the Foundation for the year 1 January 2019 to 31 December 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Foundation qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

*** Policies and objectives**

The primary aim of the Foundation is to award grants to organisations and to directly sponsor activities that will, in the opinion of the trustees, increase the long term and sustainable prosperity of the North East of England primarily through the promotion of engineering and manufacturing. In particular we intend to focus increasingly on the levels and amount of training in engineering related skills throughout the region.

Other projects which, in the opinion of the trustees, are beneficial to the wellbeing of the region, or the country as a whole, particularly those associated with the conservation of wild land may also be supported.

The trustees are aware of the Charity Commission's guidance on public benefit and have regard to it when selecting those projects which receive grant funding.

Achievements and performance

*** Review of activities**

Throughout 2019 the Foundation continued to support the teaching of STEM subjects, particularly engineering, within schools in the region. We concentrated on supporting projects which encourage pupils to experience exciting and fun engineering projects with the aim of demonstrating how enjoyable and worthwhile an engineering career can be. We backed this up with support for events outside school which promote engineering activities and achievements.

The Foundation has continued its support for the F1 in Schools competition locally, in partnership with Nissan. The regional final, held in February, is now the largest in the UK. We gave prizes for the first four places in the regional finals to assist in the cost of travel to the national final. This resulted in three local schools sending a total of four teams to the national final at Silverstone where they had a brilliant day out.

We have continued our partnership with Nissan education by sponsoring two more regional competitions – Lego (primary) and Vex (secondary) robotics. These are taken up with enthusiasm by local schools, massively enjoyed by the school children and convey the essence of robotic programming.

The fundraising for the renovation of Neville Hall was completed this year and construction work has begun. Hopefully by the end of 2020 the building will have reopened and the Common Room of the North will be in session – helped along by our funding.

As well as the above the Foundation continued its support for teacher CPD, schools participation in national events and a range of diverse other causes.

The Reece Foundation

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 December 2019

Achievements and performance (continued)

There remains a lot to be done to bring the North East achievement levels up to national standards and new ideas and innovative projects are sought to increase the achievement of young people in STEM subjects, particularly maths, in the region.

Financial review

*** Review of the year**

The Foundation awarded grants of £1,206,150 during the year which resulted in a surplus before revaluation of investments of £199,764. Expenditure is in line with the trustees expectations and the intention that the Foundation distributes its assets over a 10 year period.

*** Reserves policy**

As at 31 December 2019, the Foundation holds reserves of £28,251,806. Of these, £24,914,424 are invested for the longer term to provide a return for the Foundation in future years, with a further £75,179 held as programme related investments. Remaining total 'free' unrestricted reserves of £3,262,203 represent approximately three years of charitable expenditure and are held as cash, and are therefore not at risk of the fluctuations in investment values seen during the Covid-19 pandemic. The trustees believe these reserves are sufficient to support grants as they are agreed and other costs.

*** Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

*** Plans for future periods**

During 2020 the trustees will continue to seek high profile projects within the region that promote education and careers development in STEM subjects.

The trustees do not anticipate the Covid-19 pandemic to impact on future grant making activities.

Structure, governance and management

*** Constitution**

The Foundation is constituted as a company limited by guarantee and was incorporated on 5 September 2007. It is a registered charity number 1121325. In the event of a winding up, every member who is a trustee, undertakes to contribute to the payment of liabilities such amount as may be required not exceeding the total of £10.

*** Methods of appointment or election of trustees**

New trustees are appointed by existing trustees. They all receive induction to the roles and responsibilities of a trustee and ongoing training based upon their individual needs.

The Reece Foundation

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 December 2019

Structure, governance and management (continued)

*** Organisational structure and decision-making policies**

All decisions regarding the management of the assets of the Foundation and the awarding of grants are made collectively by the trustees.

*** Investment policy and performance**

The Foundation seeks to maximise its income from its asset base through a mixture of longer term investment in capital markets and short term bank deposits, whilst minimising its exposure to risk. The trustees will keep ongoing investment performance under review.

*** Risk management**

The trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to mitigate those major risks.

The principal risk is considered to be the management and performance of the investment assets, which is mitigated through the use of professional investment managers who report regularly to the trustees.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 9 July 2020 and signed on their behalf by:



A D Reece
(Chair of Trustees)

The Reece Foundation

(A company limited by guarantee)

Statement of trustees' responsibilities

Year ended 31 December 2019

The trustees (who are also the directors of the foundation for the purposes of company law) are responsible for preparing the trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the foundation and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the foundation will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the foundation's transactions and disclose with reasonable accuracy at any time the financial position of the foundation 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 foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the Members of The Reece Foundation

Opinion

We have audited the financial statements of The Reece Foundation (the 'foundation') for the year ended 31 December 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditor's report to the Members of The Reece Foundation (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.



Independent auditor's report to the Members of The Reece Foundation (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Anne Hallowell'.

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne
NE1 4JE

9 July 2020

The Reece Foundation
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Donations and legacies	2	1,252,588	1,252,588	-
Investments	3	304,329	304,329	441,953
Total income		1,556,917	1,556,917	441,953
Expenditure on:				
Investment management fees		147,208	147,208	106,804
Charitable activities		1,209,945	1,209,945	1,158,800
Total expenditure		1,357,153	1,357,153	1,265,604
Net gains/(losses) on investments		4,458,919	4,458,919	(1,752,679)
Net movement in funds		4,658,683	4,658,683	(2,576,330)
Reconciliation of funds:				
Total funds brought forward		23,593,123	23,593,123	26,169,453
Net movement in funds		4,658,683	4,658,683	(2,576,330)
Total funds carried forward		28,251,806	28,251,806	23,593,123

The notes on pages 12 to 19 form part of these financial statements.

The Reece Foundation
(A company limited by guarantee)

Balance sheet
At 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	6	24,914,424	20,313,356
Programme related investments	7	75,179	108,907
Total investments		24,989,603	20,422,263
Current assets			
Cash at bank and in hand		4,542,778	4,188,075
		4,542,778	4,188,075
Creditors: amounts falling due within one year	8	(1,280,575)	(1,017,215)
Net current assets		3,262,203	3,170,860
Total assets less current liabilities		28,251,806	23,593,123
Total net assets		28,251,806	23,593,123
Charity funds			
Restricted funds	9	-	-
Unrestricted funds	9	28,251,806	23,593,123
Total funds		28,251,806	23,593,123

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 09 July 2020 and signed on their behalf by:



A D Reece

Registered number: 06361547

The notes on pages 12 to 19 form part of these financial statements.

The Reece Foundation
(A company limited by guarantee)

Statement of cash flows
Year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash generated by / (used in) operating activities	10	192,523	(1,004,112)
Cash flows from investing activities			
Dividends, interests and rents from investments		304,329	441,953
Proceeds from sale of investments		3,725,094	12,001,585
Purchase of investments		(3,867,243)	(12,484,515)
Net cash provided by/(used in) investing activities		162,180	(40,977)
Change in cash and cash equivalents in the year		354,703	(1,045,089)
Cash and cash equivalents at the beginning of the year		4,188,075	5,233,164
Cash and cash equivalents at the end of the year	11	4,542,778	4,188,075

The notes on pages 12 to 19 form part of these financial statements

The Reece Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 December 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Reece Foundation 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.

The financial statements are prepared in pounds sterling and are rounded to the nearest £1.

1.2 Company status

The Foundation is a company limited by guarantee. The members of the company are the trustees name on page 1. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.4 Going concern

The Foundation holds substantial investment assets, but maintains sufficient cash reserves to allow it to meet its ongoing commitments. Despite the volatility in the investment market since the year end, investment values have recovered to be comparable with their levels at the balance sheet date and consequently the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.5 Income

All income is recognised once the foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of the covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Reece Foundation

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 December 2019

1. Accounting policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Charitable activities include direct costs incurred on the company's grant-making operations and support costs incurred in running the charitable operations.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure..

Support costs are those costs incurred directly in support of expenditure on the objects of the company, including those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the foundation; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.9 Cash at bank and in hand

Cash at bank and 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.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

1. Accounting policies (continued)

1.11 Critical accounting measures and areas of judgement

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.

In preparing these financial statements the directors do not consider there were any significant estimates or areas of judgement that were required in applying the company's accounting policies as set out above.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,252,588	1,252,588	-

3. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from listed investments	280,182	280,182	416,640
Loan interest	1,427	1,427	203
Bank interest	22,720	22,720	25,110
	304,329	304,329	441,953
Total 2018	441,953	441,953	

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

4. Analysis of expenditure by activities

	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Grants awarded (note 5)	1,206,150	3,795	1,209,945	1,158,800
	<u> </u>	<u> </u>	<u> </u>	
Total 2018	<u>1,150,872</u>	<u>7,928</u>	<u>1,158,800</u>	

Analysis of support costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Sundry expenses	195	195	3,655
Audit fee	3,600	3,600	3,600
Auditor's non audit costs	-	-	673
	<u>3,795</u>	<u>3,795</u>	<u>7,928</u>
	<u> </u>	<u> </u>	
Total 2018	<u>7,928</u>	<u>7,928</u>	

No trustees received any remuneration or benefits for their services to the charity during the year (2018: £nil).

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

5. Grants awarded

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Beamish Museum	50,000	50,000	50,000
Cambridge University Eco Racing	20,000	20,000	25,000
Enthuse	40,000	40,000	-
Greenpower	37,000	37,000	25,000
Maggie's Centre, Freeman Hospital	100,000	100,000	-
Newcastle United Foundation	307,030	307,030	-
Nissan	105,845	105,845	56,040
Primary Engineer programme	25,000	25,000	25,000
Royal Institution	90,000	90,000	45,000
Sheffield University	37,800	37,800	-
St Cuthbert's School	21,000	21,000	21,000
Success4All	40,000	40,000	50,000
Villiers Park	121,751	121,751	119,363
Westfield School	25,112	25,112	-
Blyth Port	-	-	30,000
Engineering UK	-	-	31,150
Jesmond Heritage / Aardman Animations	-	-	45,000
NEIMME	-	-	500,000
Newcastle Eagles	-	-	75,000
North Durham Academy	-	-	40,000
NUSTEM	-	-	89,484
Other grants (below £20k)	185,612	185,612	166,247
Grant releases	-	-	(242,412)
	1,206,150	1,206,150	1,150,872

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

6. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2019	20,313,356
Additions	3,867,243
Disposals	(3,307,103)
Revaluations	4,040,928
At 31 December 2019	24,914,424
Net book value	
At 31 December 2019	24,914,424
<i>At 31 December 2018</i>	<i>20,313,356</i>

7. Programme related investments

	Programme related investments £	Total £
Cost or valuation		
At 1 January 2019	108,907	108,907
Repayments	(33,728)	(33,728)
At 31 December 2019	75,179	75,179

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Grants awarded but not yet paid	1,276,975	1,013,615
Accruals and deferred income	3,600	3,600
	1,280,575	1,017,215

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

9. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds					
General funds	<u>23,593,123</u>	<u>1,556,917</u>	<u>(1,357,153)</u>	<u>4,458,919</u>	<u>28,251,806</u>

Statement of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds					
General funds	<u>26,169,453</u>	<u>441,953</u>	<u>(1,265,604)</u>	<u>(1,752,679)</u>	<u>23,593,123</u>

10. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>4,658,683</u>	<u>(2,576,330)</u>
Adjustments for:		
Gains/(losses) on investments	(4,458,919)	1,752,679
Dividends, interests and rents from investments	(304,329)	(441,953)
Increase in creditors	263,360	317,211
Advances under programme related investments	-	(75,000)
Receipts from programme related investments	33,728	19,281
Net cash provided by/(used in) operating activities	<u><u>192,523</u></u>	<u><u>(1,004,112)</u></u>

The Reece Foundation
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 December 2019

11. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	4,542,778	4,188,075
Total cash and cash equivalents	4,542,778	4,188,075

12. Analysis of changes in net debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	4,188,075	354,703	4,542,778
	4,188,075	354,703	4,542,778

13. Grant commitments

At 31 December 2019 the trustees had approved in principle grants totalling £268,000 (2018: £625,484). These amounts have not been accrued within these financial statements as the conditions attached to them have not yet been met, and as such the trustees have not formalised the commitment.

14. Related party transactions

There were no related party transactions in either period.