

JAMES MARSHALL FOUNDATION CIO

TRUSTEES' ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

JAMES MARSHALL FOUNDATION CIO
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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JAMES MARSHALL FOUNDATION CIO

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees for the year ended 31 March 2022

CHAIRMAN Mr. J. M. R. Finch

VICE-CHAIRMAN Mr. K. Andrews

Mr. C. J. Canfield

Ms. A. Davies

Mr. A. J. Large

Mrs. N. K. R. Linacre - resigned 23 June 2022

Mr K. D. Oxley - resigned 24 May 2022

Mr. R. J. Prynn

Ms. R. Shah

Mr. M. Whitley

EMAIL office@jamesmarshallfoundation.co.uk

WEBSITE www.jamesmarshallfoundation.co.uk

CHARITY REGISTRATION NUMBER 1181004

JAMES MARSHALL FOUNDATION CIO

Advisors for the year ended 31 March 2022

OFFICE

Unit 6, 17 Leyton Road
Harpenden
Hertfordshire AL5 2HY

ADMINISTRATION Foundation Manager
 Foundation Associates

Mrs. P. Whiting
Ms. F. Brown
Ms A. Letcher

AUDITORS

David M. Rees & Associates Limited
Well Cottage
Cucumber Lane
Essendon
Hertfordshire AL9 6JB

SOLICITORS

S A Law
Gladstone Place
36-38 Upper Marlborough Road
St Albans
Hertfordshire AL1 3UU

Debenhams Ottaway
107 St Peter's Street
St Albans
Hertfordshire AL1 3EW

BANKERS

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

PROPERTY MANAGEMENT

HO2 (Brighton) Ltd
5 Pavilion Mews
Church Street
Brighton
East Sussex BN1 1GX

BUILDING SURVEYOR

Evans & Crawley
Bridge House
Water Meadow
Chesham
Buckinghamshire HP5 1LF

JAMES MARSHALL FOUNDATION CIO
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements of the charitable incorporated organisation for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the constitution of the Foundation when the entity was established on dated 5 December 2018 (24 November 2021 revision), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland published in October 2019.

Structure

James Marshall Foundation CIO is a charitable incorporated organisation with registered number 1181004. It was incorporated on 5 December 2018 as the successor entity to James Marshall Foundation, a Charity with registration number 312127 established by the Will of Mr James Marshall dated 30 December 1719 and bequeathed on his death in 1722. James Marshall Foundation ceased trading on 31 March 2019 and the assets and operations were transferred to James Marshall Foundation CIO on 1 April 2019. The remit of the charitable incorporated organisation remained the same, but transferring the assets and operations into this structure facilitated better governance and provided greater protection over sustainability of the Charity.

Objectives and activities for the public benefit

The purpose of James Marshall Foundation CIO is to advance in life young people living in Harpenden, Wheathampstead, Kimpton, Redbourn, Flamstead and Markyate and the hamlet of East Hyde who are under the age of 25 and in financial hardship by the provision of grants to assist with their education and career development. The locations of Kimpton, Redbourn, Flamstead and Markyate were included from 19 August 2021 after receipt of Charity Commission approval to expand the catchment area. To fulfil that purpose, the Foundation awards grants towards the cost of the following items/activities:

- Travel and equipment for work including apprenticeships
- Accommodation, books, equipment, travel for diplomas, degrees and postgraduate degrees
- Further educational courses and career development opportunities
- School trips, school uniform, books, equipment and laptops
- Extra-curricular activities such as music and sport

In setting the aims and objectives together with planning the future activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. Grants are awarded to individuals in the local community who meet the eligibility criteria. These grants provide opportunities to young people where, without such funding, the financial cost would be a barrier. In this way, the Foundation is able to make a difference to the circumstances of its beneficiaries in assisting to develop their career or enrich their educational experience.

Impact of the Covid-19 pandemic

Covid-19 had several impacts on the Foundation during the year to 31 March 2022. There were delays in receiving rental income from some tenants, however, all rental payments were up-to-date by the end of the financial year. Discounts provided against some university accommodation costs led to a higher level of grants awarded in the prior year subsequently unutilised than would normally be the position. There has been a 52% increase in numbers of applications compared to the prior year, reflective of the resulting pressures on family finances arising from Covid-19; school trips being organised; the expansion of the catchment area and actions undertaken to raise awareness of the Foundation. The Trustees are pleased to report that the Foundation was able to respond and adapt to this increase in grant activity and seamlessly continue to play a key role in financially supporting eligible young people in the local community.

Risk management

The principal risks faced by the Foundation are vacant periods in rental income, unpaid rent, unexpected repair & maintenance costs and losses crystallising on the sale of long term investments. The Trustees have a risk management strategy which comprises a regular review of the major risks which the Foundation faces and the establishment of systems and procedures to identify those risks. This enables the Trustees to implement required actions to minimise any potential impact on the Foundation.

JAMES MARSHALL FOUNDATION CIO
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Review of performance

During the year 495 grants were awarded and a breakdown of the categories of grants was:

Year ended 31 March 2022

Work-related	1
Degree & postgraduate degree	30
Diploma & Educational course	4
Computer/Digital device	81
Travel	5
School Uniform	169
Extra-curricular: Music – Drama - Sport	68
Scouts/Guides/Duke of Edinburgh	12
School Trips	92
Educational equipment	24
Books	9
Total	495

The total value of grants awarded was £181,831 (a 10% increase on the prior year). There were also grants outstanding for awards in the previous year unpaid at 31 March 2022, mainly due to cancellations or discounts arising as a result of curtailments in activities due to Covid-19.

Financial review

The Foundation's principal sources of funding are rental income from commercial properties and dividend income from financial investments. The income received supports the grant making each year and grants are only awarded if the income is available. During the year the Foundation received a total of income of £390,624 of which £349,026 was for property income. Property expenditure and costs totalled £38,554 being a return on the fair value of the properties of 5.9%. Of the available income after all costs of £292,423, grants were awarded of £181,831. In addition, there were grants outstanding for awards in earlier years unpaid at 31 March 2021 of £18,555 and reimbursements from schools due to cancellation of school trips of £1,513. The surplus income after allocation of the revaluation of investment of £165,900 is added to the distribution fund available for future years. There has been an exponential rise in the number of grants awarded from 1 April 2022, with almost 700 grants awarded in the 5 months to 31 August 2022.

Investment, policy and performance

The financial objective of the Foundation is to at least maintain the real value of the assets whilst generating a stable and sustainable return to fund grant making. The Capital Fund comprises investment properties and long term investments. The net assets of this fund are held for the purpose of generating income for the Distribution Fund, from which the grants are paid. The property portfolio was professionally valued at 31 March 2021 for inclusion in the Foundation's accounts by Mr. R. Hayler FRICS, Registered Valuer of HO2 (Brighton) Limited, Chartered Surveyors, at £5,300,000. The Trustees have performed an internal valuation of the property portfolio at 31 March 2022, considering relevant factors. All rent relating to the financial year was received and there is diversification across the portfolio, with tenants from different sectors, which lessens the effect of specific fluctuations relevant to one sector. The Trustees have commissioned a series of property inspections in recent years which have supported the fact that the properties are in a good state of repair. The properties are all held for the long term and the Trustees currently have no intention to dispose of any property. The Trustees confirm that maintaining the overall market value at £5,300,000 is reasonable and the next independent valuation is due at 31 March 2026.

Reserves policy

The Foundation has net current assets in its Distribution Fund amounting to £1,005,640 at 31 March 2021. The Trustees consider that £300,000 of this balance should be retained to meet the costs of potential vacant periods, repairs & maintenance costs, losses crystallised on the sale of property and generally to safeguard the Foundation financially. The Trustees consider that the assets are available and sufficient to meet all of the Foundation's obligations.

JAMES MARSHALL FOUNDATION
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future

James Marshall Foundation CIO is a lasting testimony to the generosity of James Marshall. The Foundation currently aims to distribute grants of approximately £250,000 per annum, but this can vary from year to year depending on grant making opportunities and investment returns. The Foundation is expected to exist in perpetuity and investments are managed to ensure this sustainability.

The Trustees recognised that the total requests from eligible applicants had been below the amount available for distribution in the last few years and several options for increasing grant application levels were identified, research conducted and financial modelling undertaken. As a result of this work and after gaining approval from the Charity Commission, on 19 August 2021 the catchment area of the Foundation was extended to include those young people living in the local villages of Kimpton, Redbourn, Markyate and Flamstead.

Governance and management

The Board of Trustees consists of up to ten Trustees who should live in the catchment area of the Charity. Trustees attend approximately six Board meetings a year. There are four Committees of the Board: Grant Awarding, Finance & Operations, Property and Marketing & Communications. These Committees meet regularly during the year. The Foundation has been awarded the Charity Excellence Framework Quality Mark, acknowledging the attention given to effective governance and management.

Trustee appointment, induction and training

When a vacancy for a Trustee position arises, the Foundation advertises widely in both local publications and websites and with appropriate national organisations. Social media postings also highlight the vacancy and local organisations are made aware such as Harpenden Town Council and Wheathampstead Parish Council.

The applicants are then shortlisted and a number invited to an interview to meet with a panel of Trustees. The selected candidates are then endorsed by the full Board. The standard term of office is three years and a Trustee may only be reappointed after nine years under exceptional circumstances. Trustees sign a Declaration of Acceptance of Office when appointed or re-appointed. On election as a Trustee, an individual assumes a number of responsibilities. Trustees are reminded that they are accountable in law for the good governance of the Foundation and all new Trustees receive a thorough induction. Trustees are requested to complete training courses as required to update and develop their skills. Decisions relating to the structure of the Charity, policies and procedures and the management of the Foundation's assets are made by the Board of Trustees after taking professional advice where appropriate. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

Key personnel

The day to day operations of the Foundation are managed by the Foundation Manager, assisted by two Foundation Associates. They provide support and information to the Board and Committees, implement the decisions, ensure legal and regulatory compliance including preparing appropriate risk assessments, keep accurate financial records, manage the grant awarding process including liaising with applicants and suppliers and making subsequent payments and work with professional advisers and other organisations. All members of staff work on a part-time basis.

Website and social media

The charity's website, www.jamesmarshallfoundation.co.uk, provides information and supplies details of the types of grants awarded by the Foundation and has a link to the online application form. The Foundation also has a social media presence with Facebook and Twitter accounts (handle @jmf1722) to promote greater awareness amongst the local community.

300th Anniversary

James Marshall Foundation was established by the Will of James Marshall in June 1722. The Trustees were delighted to honour the founder and celebrate reaching the 300th Anniversary by arranging a Concert on 23 June 2022 held at St Helen's Church in Wheathampstead, outside of which James Marshall's grave stands. The Concert was attended by Robert Voss CBE CStJ Lord-Lieutenant of Hertfordshire and Sally Burton DL, High Sheriff of Hertfordshire along with supporters and beneficiaries of the Foundation. Six local schools performed beautifully and made the Concert a wonderful tribute to James Marshall and his legacy.

JAMES MARSHALL FOUNDATION
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Trustees' responsibilities in relation to the financial statements

The Charity Trustees are responsible for preparing the Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity 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 applicable Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the bye laws. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Auditors

A resolution reappointing David M. Rees & Associates Limited will be put to the Annual General Meeting.

Approved by the Trustees on ²⁶ September 2022

and signed on their behalf by:

Unit 6, 17 Leyton Road
Harpenden
Hertfordshire AL5 2HY



Mr. J. M. R. Finch
Chairman of the Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF JAMES MARSHALL FOUNDATION CIO

Opinion

We have audited the financial statements of James Marshall Foundation CIO for the year ended 31 March 2022 which comprise the Statements of Financial Activities, the Balance Sheet, and the related notes to the financial statements, including 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 charity's affairs as at 31 March 2022, 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sharan C. Rees FCA
Statutory Auditor



David M. Rees & Associates Limited

DAVID M. REES & ASSOCIATES LIMITED
Chartered Accountants and Statutory Auditors

WELL COTTAGE
CUCUMBER LANE
ESSENDON
HERTFORDSHIRE AL9 6JB

DATED *30 September 2022*

DAVID M. REES & ASSOCIATES LIMITED is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

JAMES MARSHALL FOUNDATION CIO
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		£	£
UNRESTRICTED FUNDS - General funds for distribution			
Income			
Donations	2	175	2,500
Investment income			
Property income - Rent		323,806	316,031
Commission		3,362	2,897
Recoverable costs - Insurance		18,988	15,669
Professional fees		720	1,025
Grounds maintenance		2,150	1,750
Dividends and interest	3	41,423	37,064
Total Income		390,624	376,936
Expenditure			
Costs of generating funds			
Property expenditure	4	23,438	22,080
Property management	5	14,567	23,413
Investment management	6	549	628
		<u>38,554</u>	<u>46,121</u>
Expenditure on charitable activities			
Grants awarded to individuals in the year		181,831	165,853
Grants for awards in earlier years		-20,068	-26,764
		<u>161,763</u>	<u>139,089</u>
Office expenses	6	31,314	31,427
Support costs	7	28,333	36,926
		<u>221,410</u>	<u>207,442</u>
Total expenditure		259,964	253,563
Net income and net income in unrestricted funds			
before gains and losses on investments		130,660	123,373
Surplus/deficit on revaluation of investments	11	35,240	79,861
NET MOVEMENT IN UNRESTRICTED FUNDS			
FOR THE YEAR		165,900	203,234
Unrestricted funds at 1 April 2021		839,740	636,506
Total unrestricted funds at 31 March 2022		<u>1,005,640</u>	<u>839,740</u>
RESTRICTED FUNDS			
Restricted funds at 1 April 2021		6,048,061	5,594,951
Surplus/deficit on revaluation of investment properties	10	0	325,000
Surplus/deficit on revaluation of investment	11	64,507	128,110
Total restricted funds at 31 March 2022		<u>6,112,568</u>	<u>6,048,061</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.

JAMES MARSHALL FOUNDATION CIO
BALANCE SHEET AT 31 MARCH 2022

	Notes	<u>2022</u>		<u>2021</u>	
		£	£	£	£
FIXED ASSETS					
Investment properties	10	5,300,000		5,300,000	
Investment	11	1,614,135		1,214,388	
Tangible fixed assets	12	<u>508</u>		<u>590</u>	
Total fixed assets			6,914,643		6,514,978
CURRENT ASSETS					
Debtors and prepayments	13	14,049		22,507	
Short term deposits		305,329		445,316	
Cash at bank		<u>12,327</u>		<u>13,361</u>	
Total current assets		<u>331,705</u>		<u>481,184</u>	
LIABILITIES					
Creditors: amounts falling due within one year	14	<u>-128,140</u>		<u>-108,361</u>	
Net current assets			203,565		372,823
TOTAL NET ASSETS			<u>7,118,208</u>		<u>6,887,801</u>
RESTRICTED FUNDS	15		6,112,568		6,048,061
UNRESTRICTED FUNDS	15		1,005,640		839,740
TOTAL FUNDS			<u>7,118,208</u>		<u>6,887,801</u>

Signed on behalf of the Trustees



Mr. K. Andrews
VICE CHAIRMAN

Approved by the Trustees on 26 September 2022

Charity Number 1181004

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

1. **SIGNIFICANT ACCOUNTING POLICIES**

a. **Basis of preparation of financial statements**

James Marshall Foundation CIO constitutes a public benefit entity as defined by FRS 102.

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 United Kingdom and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The Trustees consider that there are no material uncertainties about the James Marshall Foundation CIO's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by James Marshall Foundation CIO are the level of rental and investment return and the performance of the property and investment markets.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below.

b. **Funds structure**

The Charity has restricted and unrestricted funds :

- (i) Restricted fund - the assets currently held have been derived from the original bequest of Mr James Marshall to be preserved for the purpose of generating income. The income generated is available to fund grant making.
- (ii) Unrestricted fund - comprises the accumulated undistributed incoming resources generated from the investments held in the restricted fund.

Investment gains and losses are allocated to the appropriate fund.

c. **Income recognition**

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

Rent receivable is recognised on an accruals basis apportioned to the year under review.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and any performance related conditions met.

Investment income 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 bank or the dividend paid or payable by the fund.

d. **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where expenditure is attributable to more than one activity, it has been apportioned across the cost categories on the basis of staff time, a basis considered to be consistent with the use of resources acquired.

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

d. **Expenditure recognition continued**

Grants are awards to third parties in the furtherance of the charitable objects of the Foundation. Grants are accounted for when they are awarded.

e. **VAT**

Input VAT not recoverable as a result of the Charity's partial exemption status is shown separately in the financial statements.

f. **Allocation of support and governance costs**

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and an apportionment of office expenses.

g. **Fixed asset investment properties**

Investment properties are stated at fair value as determined periodically by professionally qualified independent external valuers, with interim annual valuation assessments by the Trustees with advice from the managing agents HO2 (Brighton) Limited. The Statement of Financial Activities includes the net gains and losses arising on revaluation, acquisitions and disposals, where applicable, throughout the year.

h. **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing Mid Market Valuation. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments.

i. **Realised gains and losses**

The main form of financial risk faced by the charity is that of volatility in commercial property and equity markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investment properties are calculated as the difference between sales proceeds and their opening fair value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and at the beginning of the year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

j. **Pension costs**

Contributions in respect of the Foundation's defined contribution automatic enrolment scheme are charged to the Statement of Financial Activities for the year in which they are payable to the pension scheme.

k. **Tangible fixed assets and depreciation for use by the Foundation**

During the year, the policy was reviewed and revised to capitalise assets costing £500 and above (previously £100). Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost or revaluation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office and estate equipment - 25% straight line on original cost.

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

2.	DONATIONS	£175	£2,500
	The Foundation gratefully received a donation from a charity cake sale (2021 - previous beneficiary).		
3.	INVESTMENT INCOME	<u>2022</u>	<u>2021</u>
	Interest	£	£
	National Savings and Investment Income Bond	215	1,572
	CAF Bank Deposit account	13	21
	Nationwide Business Saver account	168	1
	Total interest on cash deposits	<u>396</u>	<u>1,594</u>
	Dividends		
	COIF Charities Investment Fund Income Units	37,748	35,470
	COIF Charities Ethical Investment Fund Income Units	3,279	0
	Total investment income	<u>41,423</u>	<u>37,064</u>
4.	PROPERTY EXPENDITURE	<u>2022</u>	<u>2021</u>
		£	£
	Repairs and maintenance	0	1,143
	Insurance	19,228	15,807
	Grounds maintenance	2,921	2,746
	VAT partial exemption - VAT not recoverable	1,289	2,384
		<u>23,438</u>	<u>22,080</u>
5.	PROPERTY MANAGEMENT	<u>2022</u>	<u>2021</u>
		£	£
	Management fees	10,920	16,747
	Legal and professional fees	1,450	2,895
	Office expenses - 4% (2021 - 6%) (Note 6)	2,197	3,771
		<u>14,567</u>	<u>23,413</u>
6.	OFFICE EXPENSES	<u>2022</u>	<u>2021</u>
		£	£
	Building maintenance and water	142	157
	Rates	379	379
	Printing & stationery	755	778
	Postage and sundries	1,029	716
	Staff salary	46,479	45,667
	IT development and support	1,797	7,717
	Charity insurance	310	284
	Light, heat & telephone	1,197	1,254
	Bank charges	96	-3
	Depreciation	666	855
	Publicity	356	369
	Refurbishment of gravestone	0	2,882
	VAT partial exemption - VAT not recoverable	1,730	1,798
		<u>54,936</u>	<u>62,853</u>

Continued

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

6. OFFICE EXPENSES Continued

Allocated on the basis of staff time as follows:

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
	%	£	%	£
Properties	4	2,197	6	3,771
Grants	57	31,314	50	31,427
Governance	38	20,876	43	27,027
Investments	1	549	1	628
	<u>100</u>	<u>54,936</u>	<u>100</u>	<u>62,853</u>

7. SUPPORT COSTS

	<u>2022</u>	<u>2021</u>
	£	£
Governance and support costs		
Office expenses - 38% (2021 - 43%) (Note 6)	20,876	27,027
Auditor's remuneration	4,000	4,200
Auditor's fees for other services	0	3,428
Legal fees	0	997
Training, meetings and other costs	1,117	484
300th Anniversary celebration	1,446	0
Trustees insurance	894	790
	<u>28,333</u>	<u>36,926</u>

8. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	<u>2022</u>	<u>2021</u>
		£
Salaries	45,358	44,269
Employers National Insurance	2	314
Pension costs	1,119	1,084
	<u>46,479</u>	<u>45,667</u>

The average monthly headcount was 2 staff (2021 - 2) and the average monthly number of full time equivalent employees during the year was 1.0 (2021 - 0.8).

The Foundation considers its key management personnel is the Foundation Manager whose benefits totalled £38,109 (2021 - £37,422).

No employees received emoluments in the year in excess of £60,000 (2021 - None).

REMUNERATION AND EXPENSES PAID TO TRUSTEES

No remuneration is paid to any Trustee.

£654 (2021 - £48) in total was reimbursed to two Trustees who purchased items costing this amount on behalf of the Foundation.

9. AUDITOR'S REMUNERATION

The auditor's remuneration constituted an audit fee of £4,000 (2021 - £4,200) and additional advisory work and accountancy of £0 (2021 - £3,428).

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

		<u>2022</u>	<u>2021</u>
		£	£
10. FIXED ASSET INVESTMENT PROPERTIES			
Investment properties at fair value	At 1 April 2021	5,300,000	4,975,000
	Surplus on revaluation	0	325,000
	At 31 March 2022	<u>5,300,000</u>	<u>5,300,000</u>

The historical cost prior to incorporation of the investment properties is £2,730,376.

The investment properties were professionally valued at 31 March 2021 by Mr. R. Hayler FRICS, registered valuer of HO2 (Brighton) Limited, Chartered Surveyors on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

In the opinion of the Trustees, there are no known events that have occurred that would significantly affect the long term market valuation of the Foundation's properties, as shown in the financial statements at 31 March 2022. The property portfolio is professionally revalued every 5 years and will next be professionally valued at 31 March 2026.

The Charity's office at Unit 6, 17 Leyton Road, Harpenden has a fair value of £60,000 (2021 - £60,000) and is used by the Foundation as its office and is included in the fair value above of £5,300,000 (2021 - £5,300,000).

Open market value is considered to also represent the fair value.

11. FIXED ASSETS INVESTMENT	COIF Investment		COIF Ethical	Total		Total
	Restricted	Unrestricted	Investment	Restricted	Unrestricted	Total
	Funds	Funds	Unrestricted Funds	Investment	Investment	Investment
Movement in Fixed Asset investment	£	£	£	£	£	£
Market value at 1 April 2021	748,061	466,327	0	748,061	466,327	1,214,388
Investment during year	0	150,000	150,000	0	300,000	300,000
Net surplus/(loss) on revaluation	64,507	35,592	-352	64,507	35,240	99,747
Market value at 31 March 2022	<u>812,568</u>	<u>651,919</u>	<u>149,648</u>	<u>812,568</u>	<u>801,567</u>	<u>1,614,135</u>

The investments in the COIF Charities Investment Fund and COIF Charities Ethical Investment Fund are common investment funds, meaning pooled investment funds which are governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. The investment objective of the Funds are to provide a long-term return comprising growth in capital and income. The investments are carried at fair value. The basis of fair value is considered to be equivalent to the mid market value as provided by CCLA Fund Managers Limited as the fund is not admitted to trading on a secondary market. Purchases are recognised at the date of trade at cost (that is their transaction value).

12. TANGIBLE FIXED ASSETS for use by the charity	<u>Office and Estate</u>
	<u>Equipment</u>
Cost	£
At 1 April 2021	2,299
Additions	584
At 31 March 2022	<u>2,883</u>
Depreciation	
Accumulated depreciation at 1 April 2021	1,709
Charge for the year	666
Accumulated depreciation at 31 March 2022	<u>2,375</u>
Net Book Value	
As at 1 April 2021	590
Movement in year	-82
At 31 March 2022	<u>508</u>

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

13. DEBTORS	<u>2022</u>	<u>2021</u>
		£
Accrued Income - rent, interest and dividends receivable	11,329	18,686
Prepayments	159	1,104
VAT recoverable	2,561	2,717
	<u>14,049</u>	<u>22,507</u>

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2022</u>	<u>2021</u>
	£	£
Auditor's fees	4,000	4,000
Holiday pay accrual	1,000	1,340
Professional fees	2,985	4,500
Office costs and other unpaid invoices	1,525	5,984
Tenants rent and charges in advance	62,933	39,935
Grants to be paid	47,220	40,592
VAT - Customs & Excise	8,477	12,010
	<u>128,140</u>	<u>108,361</u>

15. MOVEMENT ON FUNDS

	1 April 2021	Current Year	31 March 2022
	£	£	£
Restricted fund	6,048,061	64,507	6,112,568
Unrestricted fund	839,740	165,900	1,005,640
Total funds	<u>6,887,801</u>	<u>230,407</u>	<u>7,118,208</u>

ANALYSIS OF NET ASSETS BY FUND AT 31 MARCH 2022	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	31 March 2022
	£	£	£
Investment properties	5,300,000	0	5,300,000
Investment	812,568	801,567	1,614,135
Tangible fixed assets	0	508	508
Debtors and prepayments	0	14,049	14,049
Short term deposits	0	305,329	305,329
Cash at bank	0	12,327	12,327
	<u>6,112,568</u>	<u>1,133,780</u>	<u>7,246,348</u>
Creditors and accruals		-128,140	-128,140
	<u>6,112,568</u>	<u>1,005,640</u>	<u>7,118,208</u>

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

16. COMMITMENTS, GUARANTEES AND CONTINGENT ASSETS AND LIABILITIES

(a) Pension commitments

The Foundation operates a defined contribution automatic enrolment pension scheme on behalf of the employees. The assets of the scheme are held separately from those of the Foundation in independently administered funds. The annual pension commitment under the scheme is for contributions of 3% of gross salary.

(b) A new grant awarding system was fully implemented in the year to 31 March 2022 and there is an maintenance charge of £1,900, payable annually from from 15 December 2021.

(c) At 31 March 2022 there is an remaining commitment of £189 (2021 - £324) in respect of the lease of a printer.

(d) Other financial commitments

There are no other outstanding capital or other financial commitments at the end of the year. No guarantees have been given.

17. RELATED PARTY TRANSACTIONS

No Trustee had any personal interest in any contract or transaction entered into by the Foundation in the year