

Charity Registration
No: 1154027

REED FAMILY FOUNDATION
(FORMERLY REED PAGE CHARITABLE FOUNDATION)
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

REED FAMILY FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Registration Number	1154027
Principal Office	c/o Bond Dickinson LLP One Trinity Broad Chare Newcastle upon Tyne NE1 2HF
Trustees	Richard Reed Melinda Page (resigned 20 January 2015) Charlotte Anne Reed Kate May (appointed 20 January 2015) Adam Balon (appointed 2 February 2015) Jonathon Wright (appointed 2 February 2015)
Bankers	Barclays Bank Plc 5 St Ann's Street Quayside Newcastle upon Tyne NE1 3DX
Solicitors and Accountants	Bond Dickinson LLP One Trinity Broad Chare Newcastle upon Tyne NE1 2HF
Auditors	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
Investment Managers	Whitley Asset Management Limited 116 Princedale Road London W11 4NH

REED FAMILY FOUNDATION

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REED FAMILY FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The charity has prepared its accounts and trustees report for the year ended 31 December 2015 in accordance with the Charities Statement of Recommended Practice 2015 (reporting under FRS102).

Structure, Governance and Management

The charity's governing document is its Constitution adopted on 1 October 2013, as amended on 20 January 2015, and it is constituted as a "Charitable Incorporated Organisation" (CIO).

Apart from the first charity trustees, new trustees will be appointed by the founding trustee, Richard Reed. If he ceases to be a trustee, the remaining trustees have the power to appoint new trustees.

Administration

The charity does not have any employees and has appointed Bond Dickinson LLP to administer the day to day activities of the charity.

Objectives and Activities

The charity's objects are to further such exclusively charitable purposes according to the law of England and Wales as its trustees in their discretion determine from time to time.

The charity makes grants to organisations and individuals for exclusively charitable purposes.

The charity has a grant-making policy in place which sets out priorities for funding, the process the trustees follow in making grants and what is required from grant recipients in terms of monitoring and reporting.

The charity made 7 grants totalling £995,000 in support of this, during the financial year.

The most significant grant (mentioned above) was to Octavia Housing, in order for it to develop a new community centre in Portobello, London. The purpose of the development is to provide a day facility for older people.

The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Achievements and Performance

The charity raised a total of £5,646,584 in the first year of operations and made grants of £995,000.

Financial Review

Total income for the year was £5,646,584 (2014 £Nil); total expenditure was £1,022,179 (2014 £Nil); and net movements in investments totalled £57,532, resulting in unrestricted reserves carried forward of £4,681,937.

Investment Policy

This is summarised as:

1. The overall objective of the Charity is to maximise return on investments while minimising risk and expense.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

2. Specifically the charity would like to achieve an annual return to 5% after all fees and expenses to distribute. This required return may be obtained through either income or capital appreciation or a combination of both.
3. The trustees having taken professional advice and have appointed Whitley Asset Management to manage the investments on a discretionary basis.

Reserves Policy

This is the first year of operations and the trustees are currently developing a reserves policy which will be implemented in the next financial statements.

Plans for future periods

The trustees intend to continue to identify projects worthy of charitable support throughout the next financial period. The trustees shall continue to review the grant-making strategy and the priorities for funding.

Risk Management

The trustees have identified two main areas of concern and have implemented procedures to mitigate these:

1. That investments do not perform as expected. The trustees have appointed an investment manager to minimise this.
2. That inappropriate grant making occurs. The trustees have procedures in place to mitigate this and the trustees are actively involved in the grant making processes, although no formal risk register is in place. The latter will be developed as the charity continues to operate.

Approved by the trustees on 31 October 2016


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Richard Reed
Signed on behalf of the Charity's Trustees

REED FAMILY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity 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 charity and of the profit and loss of the charity for that period. In preparing these financial statements, the trustees are required to:

- a. select suitable accounting policies and then apply these consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time of the financial position of the company. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REED FAMILY FOUNDATION INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the financial statements of Reed Family Foundation for the year ended 31 December 2015 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE
REED FAMILY FOUNDATION LIMITED**

- the charity has not kept sufficient 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.



Saffery Champness
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 31 October 2016

REED FAMILY FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 2015

	Notes	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
		£	£	£	£
Income from					
Donations	2.1	5,625,000	-	5,625,000	-
Investments	2.2	21,584	-	21,584	-
Total income		<u>5,646,584</u>	<u>-</u>	<u>5,646,584</u>	<u>-</u>
Expenditure					
Cost of fund raising:					
Investment management costs	3.1	6,491	-	6,491	-
Charitable Activities:					
Grants payable	3.2	995,000	-	995,000	-
Support costs of grant making	3.3	20,688	-	20,688	-
Total expenditure		<u>1,022,179</u>	<u>-</u>	<u>1,022,179</u>	<u>-</u>
Net income/(expenditure) before investment gains/(losses)		4,624,405	-	4,624,405	-
Realised losses on investment assets		(6,564)	-	(6,564)	-
Unrealised gains on investment assets		64,096	-	64,096	-
Net income and net movement in funds		<u>4,681,937</u>	<u>-</u>	<u>4,681,937</u>	<u>-</u>
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>4,681,937</u>	<u>-</u>	<u>4,681,937</u>	<u>-</u>

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

All activities are continuing.

The notes on pages 9 to 13 form part of these financial statements.

REED FAMILY FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
FIXED ASSETS					
Investments	4	<u>2,355,477</u>	<u>-</u>	<u>2,355,477</u>	<u>-</u>
CURRENT ASSETS					
Debtors	5	1,133,121	-	1,133,121	-
Cash at bank and in hand		<u>1,653,695</u>	<u>-</u>	<u>1,653,695</u>	<u>-</u>
Total current assets		2,786,816	-	2,786,816	-
Creditors: amounts falling due within one year					
Net current assets	6	<u>(460,356)</u>	<u>-</u>	<u>(460,356)</u>	<u>-</u>
		<u>2,326,460</u>	<u>-</u>	<u>2,326,460</u>	<u>-</u>
Total Net Assets		<u>4,681,937</u>	<u>-</u>	<u>4,681,937</u>	<u>-</u>
FUNDS OF THE CHARITY					
Unrestricted Funds		4,681,937	-	4,681,937	-
Restricted Funds	7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Funds		<u>4,681,937</u>	<u>-</u>	<u>4,681,937</u>	<u>-</u>

The accounts were approved by the trustees on 31 October 2016



Richard Reed
Signed on behalf of the Charity's Trustees

The accompanying notes form an integral part of these financial statements.

REED FAMILY FOUNDATION
STATEMENT OF CASH FLOWS

	Notes	2015 £	2014 £
Cash flows from operating activities			
Net cash provided by operating activities		3,938,177	-
Net cash inflow/(outflow) from operating activities	10	<u>3,938,177</u>	<u>-</u>
Cash flows from investing activities			
Dividends and interest from investments		13,463	-
Proceeds from sale of investments		601,203	-
Purchase of investments		(2,899,148)	-
Net cash provided by (used in) investing activities		<u>(2,284,482)</u>	<u>-</u>
Cash flows from financing activities			
Repayments of borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>1,653,695</u>	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>1,653,695</u>	<u>-</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>1,653,695</u>	<u>-</u>

REED FAMILY FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reed Family Foundation constitutes a public benefit entity as defined by FRS 102. The functional currency of the charity is £.

1.2 Transition to FRS 102

The date of transition to FRS 102 is 1 January 2014, and these are the first financial statements the charity has prepared in accordance with this FRS.

Adoption of the new FRS has required the following changes to accounting policies:

- 1.2.1 Incoming resources are recognised when receipt is probable rather than virtually certain.
- 1.2.2 As detailed in note 3, costs of grant-making allocated to other activities now include governance costs.

In addition investment gains and losses are now recognized as a component of net income. There are no changes to the charity's net assets, nor to the previously reported net income, resulting from the transition.

1.3 Incoming resources

Investment income is stated on an accruals basis.

Donations are accounted for in the period in which the charity is entitled to receipt and include any associated gift aid.

1.4 Resources expended

Expenditure is included on an accruals basis.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

Grants awarded are charged in full against income when the offer is conveyed to the beneficiary, except in those cases where the offer is conditional and therefore recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment but not accrued as an expense.

1.5 Governance costs

Governance costs comprise all costs involving the public accountability of the charity and costs related with statutory requirements.

1.6 Funds

Unrestricted funds represent the balance of income from all sources after deduction of grants made and other necessary expenditure.

Expendable endowment funds are funds where the donor intended the assets to be held for the long term to generate an income to be spent to support the charity's beneficiaries. The capital and income can be spent at the Trustees' absolute discretion.

1.7 Taxation

The Trust is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

1.8 Investments

Investments are held at open market value where a reliable valuation can be obtained. Where this is not possible investments will be held at cost.

1.9 Financial instruments

The trust 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.

1.10 Going concern

The Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

REED FAMILY FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
2. ANALYSIS OF INCOME		
2.1 Donations		-
Donations under gift aid	4,500,000	-
Tax reclaimed under gift aid	1,125,000	
2.2 Investment income		-
Interest	17,396	-
Dividends	4,188	-
	<u>5,646,584</u>	<u>-</u>

3. ANALYSIS OF EXPENDITURE

3.1 Investment management costs	6,491	-
3.2 Grants payable	<u>995,000</u>	<u>-</u>

Purpose for which grants made	Grants to institutions £	Grants to individuals £	Support Costs £	Total £
Octavia Housing – development of community centre in Portobello	900,000	-	-	900,000
Keeping Kids Company (now in liquidation)	15,000	-	-	15,000
Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry – wildlife conservation	25,000	-	-	25,000
African Prisons Project – human rights project	25,000	-	-	25,000
Ballet Black – general charitable purposes	10,000	-	-	10,000
Quintessentially Foundation – re underprivileged children in sport	10,000	-	-	10,000
African Prisons Project – charitable purposes	10,000	-	-	10,000
	<u>995,000</u>	<u>-</u>	<u>-</u>	<u>995,000</u>

	2015 £	2014 £
3.3 Support costs		
Bank charges	85	-
Exchange rate differences	1,653	-
Legal and Professional fees:		
Administration and accountancy fees	14,450	-
Auditors fees	4,500	-
	<u>20,688</u>	<u>-</u>

Support costs include governance costs of £3,750.

REED FAMILY FOUNDATION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2015

4. INVESTMENT ASSETS

	£	£
Carrying (fair) value at 1 January 2015	-	-
Add: additions to investments at cost	2,899,149	-
Less: disposals at carrying value	(607,768)	-
Add/(deduct) net gain/(loss) on revaluation	64,096	-
Market Value at 31 December 2015	<u>2,355,477</u>	<u>-</u>
Represented by:		
Equities – Europe	248,799	-
- North America	615,674	-
- United Kingdom	384,381	-
- International	1,106,623	-
	<u>2,355,477</u>	<u>-</u>
Historic cost	<u>2,291,380</u>	<u>-</u>

5. DEBTORS

	2015 £	2014 £
Tax reclaimed under gift aid and interest	<u>1,133,121</u>	<u>-</u>

6. CREDITORS AND ACCRUALS

	2015 £	2014 £
Creditors and accruals	10,356	0
Grants	450,000	0
	<u>460,356</u>	<u>0</u>

7. RESTRICTED FUNDS

Fund Name
None

8. TRANSACTIONS WITH RELATED PARTIES

There were no transactions in the year.

9. TRUSTEES

No trustees received remuneration in the year (2014:Nil) and no trustees received any reimbursed expenses (2014:Nil) (aggregate donations from Trustees were £4,500,000; 2014: £NIL)

REED FAMILY FOUNDATION

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2015**

**10. RECONCILIATION OF NET INCOMING
RESOURCES TO NET CASH INFLOWS FROM
OPERATING ACTIVITIES**

	2015	2014
	£	£
Net incoming/outgoing resources for the year	5,135,237	-
Loss on sale investments	6,564	-
Unrealised gains on investments	(64,096)	-
Investment income	(21,584)	-
Increase in debtors	(1,125,000)	-
Increase in creditors	7,056	-
Net cash inflow from operating activities	<u>3,938,177</u>	<u>-</u>