

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

THE GOSLING FOUNDATION LIMITED

CONTENTS

	Page
Legal and administrative information	1
Directors' report	2 – 5
Independent auditor's report	6 – 7
Statement of financial activities (including an income and expenditure account)	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 – 23

THE GOSLING FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Status	Registered in England and Wales
Charity Number	326840
Registered Office	21 Bryanston Street Marble Arch London W1H 7PR
Company Number	01892360
Trustees and directors	Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom Sir Ronald Hobson KCVO Hon Capt Adam Gosling RNR
Secretary	Anne Yusof
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Auditors	Lewis Golden LLP Chartered Accountants and Statutory Auditors 40 Queen Anne Street London W1G 9EL
Investment advisors	J. M. Finn & Co. Ltd 4 Coleman Street London EC2R 5TA

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors are pleased to present their report together with the audited financial statements of the charitable company ("the charity") for the year ended 31 March 2016, which includes the strategic report and also represents the trustees' report which is required to be prepared by Part 8 of the Charities Act 2011.

The directors of the charity are its trustees for the purpose of charity law, as set out on page 1, and throughout the financial statements the directors are collectively referred to as the trustees.

The financial statements have been prepared in accordance with accounting policies set out on pages 11 to 14 and with applicable United Kingdom accounting standards, current statutory requirements, the Charities Act 2011, the Companies Act 2006, 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) and the Charity's governing document. Legal and administrative information set out on page 1 forms part of this report.

Objectives and activities for the public benefit

The charity was incorporated on 5 March 1985 and the objectives, for which the charity was established, as dictated by the Memorandum of Association, are to carry out all or any of the following purposes, namely:

- the relief of poverty, suffering and distress among the aged, impotent or poor inhabitants of the United Kingdom and the provision of facilities for recreation and other leisure time occupation for them generally in the interests of their social welfare within the meaning of the, now repealed, Recreational Charities Act 1958 and as therein limited;
- the advancement of education amongst the inhabitants of the United Kingdom generally;
- the furtherance of such other charitable purposes beneficial to such of the communities of the United Kingdom as the company may think fit; and
- to make grants to such associations, trusts, societies or corporations as are established for charitable purposes.

The trustees regularly review the grant making policies of the charity which currently are:

- the trustees will consider applications for grants which are in accordance with the stated objects of the charity;
- there are no minimum or maximum limits for any grants;
- all grants will be approved unanimously by the trustees; and
- the charity will continue to make grants to individuals only in exceptional circumstances.

The charity carries out its objectives by making grants to a wide range of charitable causes as quantified in note 5 to the financial statements. The charity aims to distribute grants to those charitable organisations that the board of trustees decide are in line with the objectives of the charity. By providing such financial support the charity seeks to enable other charitable organisations to achieve their objectives.

The trustees confirm that in accordance with Section 17 of the Charities Act 2011, they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning their future grant making activities.

During the year ended 31 March 2016, the trustees aimed to distribute approximately £2,000,000 (2015: £2,000,000) in grants to a similar number of beneficiaries as in the prior year. In order to achieve this, the trustees reviewed applications from various organisations and awarded grants as they collectively considered appropriate.

THE STRATEGIC REPORT

Achievements and performance

The trustees paid and committed grants for the year totalling £6,651,890 (2015: £1,677,296). Of this amount £3,942,890 (2015: £1,227,296) has been paid during the year and commitments of £2,709,000 (2015: £450,000) were made for payment in future years. The charitable purposes and details of the various institutions that benefited are detailed in note 5 to the financial statements.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance (continued)

The following table puts the charity's grants for the year into broad categories and shows the prior year for comparison. Full details of the grant recipients are set out in note 5 to the financial statements.

Category	2016 Amount £	2016 Number of grants	2015 Amount £	2015 Number of grants
Relief of poverty	399,000	14	227,000	14
Advancement of religion	46,300	3	36,921	4
Advancement of education	1,937,500	26	425,750	22
Other purposes beneficial to the community	4,269,090	106	987,625	83
Total	6,651,890	149	1,677,296	123

During the year 149 grants (2015: 123) were made in furtherance of the charity's objectives to 115 beneficiaries (2015: 107).

During the year the company spent £2,186,263 on construction costs in relation to the development in Heathfield, East Sussex which was previously held as an asset under construction with a total cost of £877,995 at the year ended 31 March 2015. The asset was completed during the year and has been reclassified as investment property.

The value of the charity's investment properties has increased by £15,181,575. Of this amount, £3,064,258 relates to the transfer of the asset under construction and £12,117,317 relates to the revaluation during the year which has been shown as an unrealised gain. At 31 March 2016 investment properties were valued at £86,533,357 (2015: £71,351,782).

At the year end the value of the listed investment portfolio was £18,684,221 (2015: £18,413,631). In accordance with their accounting policy, the trustees have recognised listed investments in the financial statements at fair value.

Overall investment income increased by £339,273 (2015: decreased by £4,075). The charity received total rental income from its portfolio of investment properties of £3,949,268 (2015: £3,618,393), income from listed investments of £775,054 (2015: £696,185), interest of £58,772 (2015: £133,493) relating mostly to cash held on deposit and short term treasury deposits and £4,250 (2015: £nil) in respect of a lease premium.

Donations of £375 (2015: £nil) were received during the year.

Costs of generating funds, which has been renamed as "Raising funds" in the current year in line with the presentation requirements of the Charities SORP FRS 102, comprising property management expenses, totalled £29,980 (2015: £61,723) detailed in note 4 to the financial statements. Governance costs are included in charitable activities and amounted to £71,199 (2015: £73,496).

Financial review

The trustees have concluded that all of the charity's current funds should be undesignated. The trustees anticipate that the current funds will be sufficient to meet its current and foreseeable obligations.

The trustees meet regularly to ensure that sufficient funds are held by the charity and to review the progress made by the recipients of previous donations and grants. At these meetings, the trustees also consider whether the investment of the charity's funds is appropriate and generates a satisfactory return. The trustees consider written applications which are consistent with the charity's objects as stated as above.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Financial review (continued)

The trustees' long-term aim is to maintain total funds of the charity in the region of £120 million which will generate investment income to fund future grant making at a level of approximately £5m per annum in perpetuity. In order to reach this target, and in order to comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the charity's financial statements show an Unrestricted Income Fund surplus. The charity is making progress towards this aim having total investment income for the year of £4,787,344 (2015: £4,448,071). The trustees consider the risks associated with the assets in which funds are held and aim to maintain an appropriate mix of assets in order to realise the long-term aim. The charity had a net surplus for the year of £10,140,632 (2015: £3,923,924) after net gains / (losses).

Under the Memorandum and Articles of Association, the charity has the power to invest any monies of the charity upon such investments and in such manner as may from time to time be expedient. To see how expenditure meets objectives, please see achievements and performance.

Plans for future periods

The trustees aim to continue to accept, in writing to the registered office, grant applications which are consistent with the charity's objectives and to review the level of grants it considers appropriate to make.

The trustees intend to distribute approximately £2,000,000 during the year ending 31 March 2017 and to review the progress made by the recipients of previous donations and grants as to how the charity's grants have been applied or regarding projects that the charity's funding has made possible.

The trustees are confident that sufficient income will be received to enable the charity to meet its objectives.

Structure, governance and management

The Gosling Foundation Limited is a company limited by shares and a registered charity governed by its Memorandum and Articles of Association dated 5 March 1985.

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. Subject to Article 31 a trustee may be appointed under the Memorandum and Articles of Association to hold office for life or any other period or upon such terms in respect of their retirement as the trustees shall at the time of their appointment determine. Any person may be appointed or elected as a trustee, whatever may be their age, and no trustee shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

The trustees have considered the recruitment, appointment and training of new trustees. They agreed that any new trustee would have to be reputable, professional and be selected based on their suitability for the role. Training in financial accounting should be a requirement, although this would be dependent on the experience and knowledge of the trustee. Training in the role and responsibilities of a charity trustee would be mainly in the form of publications available from the Charity Commission. Any queries would be addressed to relevant professional advisors as required. As part of the induction process, new trustees are familiarised with the charity's governing document. Ms A Yusof is responsible for obtaining relevant training materials.

The number of members of the charity is limited to 50. During the year there were three trustees. During the year the trustees met quarterly to administer the charity.

Principal risks and uncertainties

The major risks, to which the charity is exposed, as identified by the trustees, have been reviewed and a system has been established to mitigate those risks. The principal risk and uncertainty for the charity relates to income generation in order to be able to award grants and cover other costs. The charity holds a mixed portfolio of investments and the trustees have established a system to review major risks and to mitigate those risks by regularly reviewing the portfolio. The exposure of the charity to price risk, credit risk, liquidity risk and cash flow risk from holding its investments is therefore considered limited.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Statement of trustees' responsibilities

The trustees (who are also directors of The Gosling Foundation Limited for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees authorise the Directors' Report and the Strategic Report.

By order of the trustees

Hon Vice Admiral Sir Donald Gosling KCVO
RNR, Vice-Admiral of the United Kingdom
Trustee

Hon Capt Adam Gosling RNR
Trustee

Date: **22 December 2016**

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED

We have audited the financial statements of The Gosling Foundation Limited for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related Notes to the Financial Statements. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out on page 5, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 Directors' 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 charitable company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report, which includes the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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.



Andrew Moss (Senior Statutory Auditor)
For and on behalf of Lewis Golden LLP
Chartered Accountants and Statutory Auditors
40 Queen Anne Street
London W1G 9EL

Date: **22 December 2016**

THE GOSLING FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account) FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Income Fund 2016 £	Expendable Endowment Fund 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income and endowments from:					
Donations and legacies	2	375	-	375	-
Investments	3	4,787,344	-	4,787,344	4,448,071
Total incoming resources		4,787,719	-	4,787,719	4,448,071
Expenditure on:					
Raising funds					
Property management costs	4	(29,980)	-	(29,980)	(61,723)
Charitable objectives					
Grant making	5	(6,651,890)	-	(6,651,890)	(1,677,296)
Governance costs	7	(71,199)	-	(71,199)	(73,496)
Total resources expended		(6,753,069)	-	(6,753,069)	(1,812,515)
Net gains / (losses) on investments					
Unrealised gains on revaluation of investment properties	11	-	12,117,317	12,117,317	-
(Losses) / gains on listed investments	13	-	(75,352)	(75,352)	1,219,778
Unrealised gains on foreign exchange on treasury cash deposits		-	64,017	64,017	68,590
Total net gains on investments		-	12,105,982	12,105,982	1,288,368
Net movement in funds		(1,965,350)	12,105,982	10,140,632	3,923,924
Reconciliation of funds:					
Total funds brought forward	18	22,112,922	78,578,759	100,691,681	96,767,757
Total funds carried forward	18	20,147,572	90,684,741	110,832,313	100,691,681

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources and resources expended are derived from continuing activities.

THE GOSLING FOUNDATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Investments					
Assets under construction	10	-		877,995	
Investment properties	11	86,533,357		71,351,782	
Listed investments	13	18,684,221		18,413,631	
Treasury cash deposits		1,259,586		1,007,575	
			106,477,164		91,650,983
Current assets					
Debtors	14	48,128		189,679	
Cash at bank and in hand		8,780,263		10,999,872	
		8,828,391		11,189,551	
Creditors: amounts falling due within one year	15				
Creditors		(1,469,383)		(1,363,994)	
Accruals for grants payable	6	(863,859)		(744,859)	
		(2,333,242)		(2,108,853)	
Net current assets			6,495,149		9,080,698
Total assets less current liabilities			112,972,313		100,731,681
Creditors: amounts falling due after more than one year	16				
Accruals for grants payable	6		(2,140,000)		(40,000)
Net assets			110,832,313		100,691,681
Represented by:-					
Called up share capital	17	3		3	
Unrestricted Income Fund	18	20,147,569		22,112,919	
			20,147,572		22,112,922
Unrealised Investment Gains	18	39,168,533		27,093,235	
Expendable Endowment Fund	18	51,516,208		51,485,524	
			90,684,741		78,578,759
Expendable Endowments Funds	19		110,832,313		100,691,681

The financial statements were approved by the board of trustees on **22 December 2016**.

Hon Vice Admiral Sir Donald Gosling KCVO
RNR, Vice-Admiral of the United Kingdom
Trustee

Hon Capt Adam Gosling RNR
Trustee

(Company Registration No. 01892360)
(Charity Registration No. 326840)

THE GOSLING FOUNDATION LIMITED

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2016

	2016 £	2015 £
Cash flows from operating activities		
Net movement in funds	10,140,632	3,923,924
Adjustments for:		
Deduct gains on investment properties	(12,117,317)	-
Add / (deduct) losses / (gains) on listed investments	75,352	(1,219,778)
Deduct unrealised gains on foreign exchange on treasury cash deposits	(64,017)	(68,590)
Deduct interest income shown in investing activities below	(58,772)	(133,493)
Deduct dividend income shown in investing activities below	(775,054)	(696,185)
Deduct other investment income shown in investing activities below	(3,953,518)	(3,658,393)
Decrease / (increase) in debtors	141,551	(104,031)
Increase / (decrease) in creditors	2,324,389	(1,190,864)
Cash used in operating activities	(4,286,754)	(3,147,410)
Cash flows from investing activities		
Interest income	58,772	133,493
Dividend income	775,054	696,185
Other investment income	3,953,518	3,658,393
Asset under construction additions at cost (subsequently transferred to Investment Property during the year ended 31 March 2016)	(2,186,263)	(877,995)
Purchase of investment property	-	(7,748,482)
Purchase of listed investments	(376,070)	(435,508)
Disposal proceeds of listed investments	30,128	32,064
(Increase) / decrease in treasury cash deposits	(187,994)	1,539,013
Cash provided by / (used in) investing activities	2,067,145	(3,002,837)
Decrease in cash and cash equivalents in the year	(2,219,609)	(6,150,247)
Cash and cash equivalents at the beginning of the year	10,999,872	17,150,119
Total cash and cash equivalents at the end of the year	8,780,263	10,999,872

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The charity is a public benefit entity.

The financial statements are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1.2 Reconciliation with Previous Generally Accepted Accounting Practice

The charity has adopted FRS 102 and the Charities SORP (FRS 102) for the first time in preparing these financial statements.

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. The policies under the Charity's previous accounting framework are not materially different to FRS 102 and have not impacted on the fund balances, the allocation of funds between restricted and unrestricted or the net movement in funds.

Preparation of the financial statements in accordance with the Charities SORP FRS 102 has resulted in the following changes in presentation:

- (i) Under the previous Generally Accepted Accounting Practice, Governance costs were disclosed separately from Charitable activities. Under the Charities SORP FRS 102, governance costs have been reallocated to expenditure on Charitable activities.
- (ii) Under previous Generally Accepted Accounting Practice, the Charity took advantage of the small companies' exemption from preparing a cash flow statement. Under the Charities SORP FRS 102, the Charity has prepared a statement of cash flows for the year ended 31 March 2015 and for the year ended 31 March 2016.
- (iii) The Revaluation Reserve has been renamed as Unrealised Investment Gains.
- (iv) Under previous Generally Accepted Accounting Practice, realised and unrealised gains were disclosed under separate headings. Under the Charities SORP FRS 102, net gains / (losses) on investments are disclosed under one heading on the face of the Statement of Financial Activities (including an income and expenditure account).

The date of transition to the Charities SORP FRS 102 was 1 April 2014.

1.3 Income

(i) *Donations and legacies*

Donations, legacies and grants are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(ii) *Investment properties*

Rent is accrued when receivable and represents income from the charity's investment properties. Rent is deferred if received before the year end and relates to the following period.

(iii) *Listed investments*

Dividends and commission are accrued when receivable and represent income received from listed securities.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1. Accounting policies (continued)

1.3 Income (continued)

(iv) *Interest receivable*

Interest is accrued when receivable by the charity and represents treasury, bank and investment interest.

(v) *Deferred income*

Income received in advance of a specified service is deferred until the criteria for income recognition are met.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

(i) *Raising funds*

This comprises property management costs. Any irrecoverable VAT is added to the related expense.

(ii) *Grant making*

Grants are accounted for in full in the period the grants are approved and the decision is notified to the recipient irrespective of the period covered by the grant. Grants awarded but not yet paid are recorded as grant commitments in the balance sheet. Any conditional grants are not provided for until the trustees are satisfied that the conditions or grant terms have been met. Grant commitment creditors are split between creditors amounts falling due within one year and creditors amounts falling due after one year according to when the grants will be paid (see note 6).

(iii) *Governance costs*

Governance costs include external audit and accountancy fees and are recognised on an accruals basis. Irrecoverable VAT is included in the cost of those items to which it relates.

1.5 Investment Properties

Investment properties are included on the balance sheet at their fair value which is determined annually. No depreciation is provided. Changes in fair value are recognised on the face of the Statement of Financial Activities (including an income and expenditure account).

1.6 Assets Under Construction

Fixed assets which are currently in the course of construction are held at cost which the trustees consider to be the best estimate of fair value at the year end. During the course of construction the costs arising are capitalised. Once completed the assets will be reclassified to investment property provided that the assets meet the definition of investment property upon completion.

The asset under construction was completed during the year and has been reclassified as investment property.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1 Accounting policies (continued)

1.7 Listed Investments

Listed investments are stated in the financial statements at fair value. Realised gains and losses on the sale of investments are calculated as the difference between the sale proceeds and the original cost. Unrealised gains and losses represent the movement between fair values. Realised and unrealised gains and losses are included on the face of the Statement of Financial Activities (including an income and expenditure account). Listed investments are held primarily to provide an investment return for the charity.

1.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.9 Funds

The charity maintains an Unrestricted Income Fund and an Expendable Endowment Fund.

Income generated by the Expendable Endowment Fund is recognised as part of the Unrestricted Income Fund. Unrealised revaluation gains on investment properties and listed investments are taken to Unrealised Investment Gains, which for the purpose of charity fund accounting is part of the Expendable Endowment Fund. Revaluation losses are also taken to Unrealised Investment Gains to the extent that there is an Unrealised Investment Gains surplus in respect of the relevant asset.

The Expendable Endowment Fund was established from donations received for that purpose. This fund arises from the proceeds of a special dividend and the sale of the charity's previous holding in National Parking Corporation Limited. The primary intention in establishing an Expendable Endowment Fund is for funds to be invested so as to generate future income for the purpose of the charity. The trustees shall also be permitted to convert any or the entire Expendable Endowment Fund to the Unrestricted Income Fund, however in any decision whether or not to convert endowment monies into expendable income the trustees should have regard for the primary intention of this endowment. The trustees aim to increase the total funds of the charity to a level that will allow ongoing future annual donations of £5 million per annum.

Any funds receivable during the relevant accounting year but not utilised are carried forward as part of the total charity funds.

1.10 Leases

Finance leases, which transfer to the charity substantially all the risks and rewards of ownership of the leased asset are capitalised at the inception of the lease at the present value of minimum lease payments.

Rents receivable under operating leases are recognised in the Statement of Financial Activities (including an income and expenditure account) on a straight line basis over the lease term.

1.11 Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities (including an income and expenditure account).

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1 Accounting policies (continued)

1.12 Financial Instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities (including an income and expenditure account). If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities (including an income and expenditure account).

Financial assets are derecognised when:

- (a) The contractual rights to the cash flows from the asset expire or are settled; or
- (b) Substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- (c) Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, this is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

2 Donations

	Unrestricted Income Fund £	Total Funds 2016 £	Unrestricted Income Fund £	Total Funds 2015 £
Donations receivable	375	375	-	-

3 Investment Income

	Unrestricted Income Fund £	Total Funds 2016 £	Unrestricted Income Fund £	Total Funds 2015 £
Lease premium	4,250	4,250	-	-
Rent receivable from UK investment properties	3,949,268	3,949,268	3,618,393	3,618,393
Bank interest receivable (UK)	57,991	57,991	133,099	133,099
Other interest receivable (UK)	781	781	394	394
Dividends and distributions from UK listed investments	630,934	630,934	551,954	551,954
Dividends and distributions from overseas listed investments	144,120	144,120	144,231	144,231
	<u>4,787,344</u>	<u>4,787,344</u>	<u>4,448,071</u>	<u>4,448,071</u>

All income from investment properties is generated from operating leases.

4 Raising Funds

	Unrestricted Income Fund £	Total Funds 2016 £	Unrestricted Income Fund £	Total Funds 2015 £
Property insurance	9,578	9,578	2,401	2,401
Legal & professional fees in respect of investment properties	20,402	20,402	59,322	59,322
Property management costs	<u>29,980</u>	<u>29,980</u>	<u>61,723</u>	<u>61,723</u>

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

5 Grant making

The following table analyses the grants into broad categories and by year in which they fall due for payment.

	Paid 2016 £	Payable 2017-19 £	Total £
The relief of poverty			
Britannia Association	10,000	-	10,000
British Forces Foundation (2 grants)	10,000	-	10,000
British Red Cross	2,000	-	2,000
Charterhouse	5,000	-	5,000
Lionheart	100,000	-	100,000
Magic Breakfast	2,000	-	2,000
Royal Navy Benevolent Trust	10,000	-	10,000
Royal Variety Charity (2 grants)	7,000	-	7,000
SSAFA	50,000	-	50,000
White Ensign Association (3 grants)	203,000	-	203,000
	<u>399,000</u>	<u>-</u>	<u>399,000</u>
The advancement of religion			
Annual National Service for Seafarers in St Pauls Cathedral	10,000	-	10,000
Holy Trinity Church	30,000	-	30,000
Queen's Chapel of the Savoy	6,300	-	6,300
	<u>46,300</u>	<u>-</u>	<u>46,300</u>
The advancement of education			
Beccles Sea Cadets	2,000	-	2,000
Bletchley Park Trust	100,000	-	100,000
Cherubim Music Trust	5,000	-	5,000
Coastal Forces Heritage Trust	10,000	-	10,000
Cowes Sea Cadets	25,000	-	25,000
Crimestoppers Trust	15,000	-	15,000
Dame Vera Lynn Trust	5,000	-	5,000
DFN Charitable Foundation (Stepping Stones) (2 grants)	250,000	250,000	500,000
Duke of Edinburgh Award (9 grants)	343,500	800,000	1,143,500
Hull Sea Cadets TS Iron Duke	2,000	-	2,000
Ocean Youth Trust – South	100,000	-	100,000
Purcell School for Young Musicians	5,000	-	5,000
Royal London Society for Blind People	5,000	-	5,000
Royal National Institute for the Blind	5,000	-	5,000
Twickenham Sea Cadets Corps TS SAUMAREZ	10,000	-	10,000
Wallasey Sea Cadets TS Astute	2,000	-	2,000
Worshipful Company of Shipwrights	3,000	-	3,000
	<u>887,500</u>	<u>1,050,000</u>	<u>1,937,500</u>

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

5 Grant making (continued)

	Paid 2016 £	Payable 2017-19 £	Total £
Other purposes beneficial to the community			
Action Medical Research for Children	3,000	-	3,000
Addenbrooke Charitable Trust	5,000	-	5,000
Andrew Simpson Sailing Foundation	5,000	-	5,000
ARNI	-	25,000	25,000
Association of Dunkirk Little Ships	2,000	-	2,000
Battle of Britain Memorial Trust	1,000	-	1,000
Blind Veterans UK	100,000	-	100,000
Bowel Cancer Research	5,000	-	5,000
British Heart Foundation	5,000	-	5,000
Bud Flanagan Leukemia Fund	1,000	-	1,000
Caius House (Battersea Youth Club) (2 grants)	25,000	25,000	50,000
Care After Combat (4 grants)	54,000	-	54,000
Castle of Mey Trust (2 grants)	310,000	-	310,000
Central Band	-	14,000	14,000
Centre of the Cell	10,000	-	10,000
Chiddingfold 1 st Scout Group	5,000	-	5,000
Chiddingfold Bonfires Charities Association	5,000	-	5,000
Children's Trust	5,000	-	5,000
Christ's Hospital	5,000	-	5,000
Clink Charity	5,000	-	5,000
College of Arms Trust	12,000	-	12,000
Commonwealth Youth Orchestra & Choir (2 grants)	34,000	-	34,000
Concord Prison	10,000	-	10,000
Down's Syndrome Association	5,000	-	5,000
Dumfries House (3 grants)	145,000	-	145,000
Ellen Macarthur Cancer Trust	3,000	-	3,000
Exeter Foundation	3,000	-	3,000
Exmouth Unit 395 of the Sea Cadets Corps	50,000	-	50,000
Fleet Air Arm Officers' Association	500	-	500
Foundation for Liver Research	10,000	-	10,000
Friends of The Princess of Wales Royal Regiment	1,000	-	1,000
GOSH	2,500	-	2,500
Greater London Fund for the Blind	50,000	-	50,000
Greenwich Foundation (2 grants)	500,000	500,000	1,000,000
HELP Appeal (County Air Ambulance Trust)	5,000	-	5,000
Historic Royal Palaces (2 grants)	32,000	-	32,000
HMS Artful (3 grants)	40,000	20,000	60,000
HMS Astute Central Fund	5,000	-	5,000
HMS Bulwark Central Fund	1,000	-	1,000
HMS Culdrose CAF	1,000	-	1,000
HMS DARING Central Fund	5,000	-	5,000
HMS Heron CAF	5,000	-	5,000
HMS Monmouth Central Fund	10,000	-	10,000
HMS Nelson Central Fund	4,000	-	4,000
Subtotal carried forward	1,485,000	584,000	2,069,000

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

5 Grant making (continued)

	Paid 2016 £	Payable 2017-19 £	Total £
Other purposes beneficial to the community (continued)			
Subtotal brought forward	1,485,000	584,000	2,069,000
HMS Nelson LAF (2 grants)	32,000	-	32,000
HMS Ocean Central Fund	10,000	-	10,000
HMS Raleigh Central Fund	10,000	-	10,000
Landmark Arts Centre (Teddington)	5,000	-	5,000
Lilian Faithful Homes	5,000	-	5,000
Marie Curie Cancer Care	2,500	-	2,500
Mary Hare Foundation	5,000	-	5,000
Mary Rose Trust	-	25,000	25,000
MPS Society	20,000	-	20,000
Order of St John Cymru Wales	60,000	-	60,000
Police Rehabilitation Trust	100,000	-	100,000
Portsmouth Citizen Advice Bureau	15,000	-	15,000
Prostate Cancer UK	5,000	-	5,000
Richmond in Bloom	2,500	-	2,500
Richmond Mencap	1,000	-	1,000
RN Base Clyde – Dolphin Shop	10,000	-	10,000
RN & RM Angling Association	5,000	-	5,000
RNAS Culdrose Central Fund	5,000	-	5,000
RNVR Yacht Club	10,000	-	10,000
Royal Marines Band Fund Collingwood	500	-	500
Royal Marines 'C' Group	6,250	-	6,250
Royal Parks Foundation	25,000	-	25,000
Royal Star & Garter Homes	20,000	-	20,000
Saints & Sinners Trust	35,000	-	35,000
Shaw Trust	10,000	-	10,000
Shooting Star Chase (3 grants)	350,000	250,000	600,000
Sir Simon Milton Foundation (5 grants)	200,000	800,000	1,000,000
Society for Mucopolysaccharide Diseases	36,000	-	36,000
Southampton Hospital Charity	25,000	-	25,000
Special Boast Service Association (Fireball Ltd)	5,340	-	5,340
St James's Conservation Trust	10,000	-	10,000
St John Hospice Antigua	25,000	-	25,000
Strawberry Hill Trust	3,500	-	3,500
Stroke Association (2 grants)	10,000	-	10,000
Sue Ryder Hospice	20,000	-	20,000
Teddington Athletic FC	5,000	-	5,000
UK Atlantic Challenge	10,000	-	10,000
Vaudeville Golfing Society	5,000	-	5,000
Walk the Walk	500	-	500
Wintershall Charitable Trust	5,000	-	5,000
Woodland Trust (2 grants)	15,000	-	15,000
	<u>2,610,090</u>	<u>1,659,000</u>	<u>4,269,090</u>
Total	<u>3,942,890</u>	<u>2,709,000</u>	<u>6,651,890</u>

In the current year and prior year, all grants have been made to institutions from the Unrestricted Income Fund.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

6 Analysis of accruals for grants payable

	Notes	2017 £	2018-19 £	Total £
Accruals for grants payable during the year		609,000	2,100,000	2,709,000
Accruals for grants payable in prior periods		254,859	40,000	294,859
	15, 16	863,859	2,140,000	3,003,859

7 Governance costs

	Unrestricted Income Fund £	Total Funds 2016 £	Unrestricted Income Fund £	Total Funds 2015 £
Accountancy and professional fees	56,590	56,590	56,218	56,218
Audit fees	12,837	12,837	16,208	16,208
Bank charges	1,772	1,772	1,070	1,070
	71,199	71,199	73,496	73,496

Included within the accountancy and professional fees are £56,590 (2015: £56,218) for the other professional services provided by the auditors.

8 Trustee remuneration, trustees' benefits and staff costs

No trustees received any remuneration or had any expenses reimbursed for their services during the current or prior year.

9 Employees

There were no employees in either the current or prior year.

10 Assets under construction

	Note	2016 £
At 1 April 2015		877,995
Additions at cost		2,186,263
Reanalysis to investment property upon completion	11	(3,064,258)
Fair value at 31 March 2016		-

All assets under construction are in the UK.

Amounts contracted for but not provided in the financial statements in respect of assets under construction amount to £nil (2015: £1,912,000). The amounts relate to property development costs contracted for in respect of a retail property development at Heathfield, East Sussex which was completed during the year and reanalysed to investment property.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

11 Investment properties

	Note	2016	2015
		£	£
At 1 April 2015:			
Historical cost		57,083,742	49,335,260
Revaluation brought forward		14,268,040	14,268,040
Fair value		71,351,782	63,603,300
Add acquisitions at cost during the year		-	7,748,482
Reanalysis from assets under construction upon completion	10	3,064,258	-
		74,416,040	71,351,782
Unrealised gains on revaluation during the year		12,117,317	-
Fair value at 31 March 2016		86,533,357	71,351,782

The Tuscan property portfolio was revalued at 31 March 2016 by Wright & Partners, qualified and external Chartered Surveyors. The Tuscan property portfolio is jointly held with The Hobson Charity Limited, a charity under common influence. The remaining properties were revalued on 31 March 2016 by BNP Paribas Real Estate, qualified and external Chartered Surveyors. The directors consider the valuation of the investment properties to be accurate and to reflect their fair value as at 31 March 2016. The property reanalysed from assets under construction upon completion is held at cost which the trustees consider to be the best estimate of fair value at the year end. All investment properties are in the UK. Included within the investment property fair value is £1,100,000 (2015: £850,000) in respect of assets held under finance lease.

Unrealised gains on revaluation of investment properties are allocated to the Expendable Endowment Fund in both the current and prior year.

12 Future minimum lease receipts due under non-cancellable operating leases

The future minimum lease receipts are as follows:

	2016 £
Due not later than one year	4,369,043
Later than one year and not later than five years	17,192,930
Later than five years	77,523,285
	99,085,258

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

13 Listed investments

	2016	2015
	£	£
At 1 April 2015:		
Historical cost	5,588,436	5,188,710
Revaluation brought forward	12,825,195	11,601,699
Fair value	18,413,631	16,790,409
Add acquisitions at cost	376,070	435,508
Less disposal proceeds	(30,128)	(32,064)
Realised loss on disposal	(33,333)	(3,718)
Unrealised (losses)/gains on revaluation	18,726,240 (42,019)	17,190,135 1,223,496
Fair value at 31 March 2016	18,684,221	18,413,631

Realised and unrealised gains and losses on listed investments are allocated to the Expendable Endowment Fund in both the current and prior year.

14 Debtors

	2016	2015
	£	£
Trade debtors	-	35,587
Other debtors	33,710	118,423
Prepayments and accrued income	14,418	35,669
	48,128	189,679

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors excluding VAT and accrued income and amounted to £39,174 (2015: £62,655).

15 Creditors: amounts falling due within one year

	Note	2016	2015
		£	£
Accruals for grants payable	6	863,859	744,859
Other taxation and social security		52,449	-
Other creditors		-	9,248
General accruals		59,908	33,272
Deferred income		1,357,026	1,321,474
		2,333,242	2,108,853

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

16 Creditors: amounts falling due after more than one year

	Note	2016 £	2015 £
Accruals for grants payable	6	2,140,000	40,000

Financial liabilities measured at amortised cost comprise of other creditors, accruals for grants payable and accruals excluding the audit fee accrual and amounted to £3,048,764 (2015: £811,179).

17 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
3 (2015: 3) Ordinary Shares of £1 each	3	3

18 Trust funds

	£
Expendable Endowment Fund (including the Unrealised Investment Gains):	
Balance as at 1 April 2015	78,578,759
Net movement in funds	12,105,982
Balance as at 31 March 2016	90,684,741
Unrestricted Income Fund:	
Balance as at 1 April 2015	22,112,922
Net movement in funds	(1,965,353)
Balance as at 31 March 2016	20,147,569

The initial endowment was a gift of shares in National Parking Corporation Limited and the proceeds of a Special Dividend on these shares which totalled £11,044,784.

19 Analysis of net assets between funds

	Share Capital £	Unrestricted Income Funds £	Expendable Endowment Fund £	Unrealised Investment Gains £	Total Funds £
Fund balances at 31 March 2016 are represented by:-					
Investments	-	15,792,423	51,516,208	39,168,533	106,477,164
Current assets	3	8,828,388	-	-	8,828,391
Liabilities	-	(4,473,242)	-	-	(4,473,242)
Total net assets	3	20,147,569	51,516,208	39,168,533	110,832,313

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

20 Control

By virtue of his 67% shareholding, Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom, a trustee, was the ultimate controlling party throughout the current and prior year. Notwithstanding this, all trustees' decisions are made unanimously.

21 Related party transactions

During the year the charity incurred expenditure of £9,319 (2015: £8,189) on behalf of The Hobson Charity Limited, a charity under common influence. At the balance sheet date the balance due from The Hobson Charity Limited was £602 (2015: £nil).

In addition, during the year the charity paid rental income to The Hobson Charity Limited in respect of The Hobson Charity Limited's interest in a commercial property portfolio totalling £1,835,917 (2015: £1,781,068) of which £nil (2015: £nil) was due to The Hobson Charity Limited at the year end.