
THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

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THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2016**

Trustees

Nicola Brooker

Jessica Ecott (appointed 11 November 2016)

Timothy Edwards (resigned 9 September 2016)

Dr Stephen Kane, Chairman

Flavia Richardson

Marian Shaw (resigned 10 July 2015)

Charles Stewart (resigned 11 September 2015)

Dr David Wilson (appointed 11 September 2015)

Stuart Woltkamp-Moon (appointed 11 September 2015)

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2016**

Charity registered number

236060

Principal office

PO Box 528
Fleet
Hampshire
GU51 9HH

Independent auditors

Griffin Stone Moscrop & Co
Chartered Accountants
Statutory Auditors
21-27 Lamb's Conduit Street
London
WC1N 3GS

Bankers

Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

Solicitors

Piper Smith Watton LLP
29 Great Peter Street
London
SW1P 3LW

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The Trustees present their annual report together with the audited financial statements of The Eaton Fund For Artists, Nurses And Gentlewomen (the charity) for the year ended 30 June 2016. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The Eaton Fund is a registered charity, number 236060, and it is unincorporated.

It was set up by a Charity Commission Scheme, in 1954, as a result of the Will of Miss Ellen Mary Maria Eaton, in which she bequeathed various properties, for the benefit of artists, nurses and gentlewomen. In 2005, the charity acquired an additional legacy, a property in Maida Vale, through the Will of Miss Faith Sybil Eaton. The Eaton Fund's current grants programme was made possible by the sale of the properties. The proceeds of property sales were invested in a variety of portfolios, see Note 11 for more information.

The assets of the charity are held principally to provide income to distribute in accordance with the charity's objects. The income of the charity is derived from dividends/distributions from listed investments.

Ultimate responsibility lies with the Board of Trustees who meet six times in the year to review the activities and financial position of the charity and to award new grants. All governance decisions and payments are made by the Trustees. The day-to-day work of the charity was undertaken by a Manager who is appointed by the Trustees and works closely with them.

Board of Trustees

The Trustees who served during the year were as follows:

Mrs Nicola Brooker

Ms Jessica Ecott (appointed 11 November 2016)

Mr Timothy Edwards (resigned 9 September 2016)

Dr Stephen Kane, Chairman

Mrs Flavia Richardson

Mrs Marian Shaw (resigned 10 July 2015)

Mr Charles Stewart (resigned 10 July 2015)

Dr David Wilson (appointed 11 September 2015)

Mr Stuart Woltkamp-Moon (appointed 11 September 2015)

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Policies adopted for the induction and training of Trustees

The appointment of Trustees is governed by the Scheme. Currently, the Scheme allows for six Trustees. Each Trustee is appointed for a term of five years after which they are eligible to offer themselves for re-election. The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

New Trustees are appointed on the basis of the skills and experience that they can bring to the Board. The Board supports new Trustees through an induction process in which new Trustees are made aware of their responsibilities as individual Trustees and their joint responsibilities as members of the Board. The Board follows the Charity Commission's guidance in setting out these responsibilities.

The Trustees were not paid although they claim reasonable expenses. The Manager's fee was set by the Trustees and is bench-marked against similar charities.

The Eaton Fund is an active member of the Association of Charitable Organisations (ACO). ACO provides the Board with advice on a range of issues affecting charities and provides a useful forum where Trustees and Manager exchange knowledge and skills with similar grant-making organisations. Trustees also attend seminars held by Fund Managers for updates on the economy and investments generally and how these developments might interest or affect the voluntary sector.

Objectives and Activities

The Eaton Fund's Scheme (1954) sets the Trustees the objective of supporting artists, nurses and women who are in need of financial assistance. The current Board of Trustees achieved this objective through a grants programme, which distributes the Eaton Fund's investment income.

The Eaton Fund benefits artists and nurses (male or female) and women, resident in the UK, who demonstrate a financial need. The Trustees consider eligible applications asking for a reasonable sum to pay for a specific item to meet an identified need, which is independently verified by a referee. The grants are one-off and should not replace statutory funding. Trustees cannot consider applications for recurring expenses such as rent, mortgage, or fuel bills, education fees or medical expenses. Trustees restrict their category of 'artist' such that it does not include performing artists.

The Trustees prioritise their decisions by looking at the applicants' degree of need and the items requested. The majority of grants are made to beneficiaries who depend on state benefits. Many cannot work, or have part-time jobs, owing to caring responsibilities, poor health or family breakdown. A further group of beneficiaries are not in full-time work because they are students. Some are in poverty in their retirement.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Objectives and Activities (continued)

The Eaton Fund fulfils charitable purposes in a variety of ways including the following:

The prevention or relief of poverty

The Eaton Fund relieves poverty by helping to provide, for example, clothes, furniture or white goods to individuals without disposable income.

The Fund also does what it can to prevent long-term poverty by, for example, paying bankruptcy or debt relief order fees for individuals who are advised on either of these courses of action by citizens advice bureau.

The advancement of education

Grants are provided for materials such as books or equipment for educational or vocational training.

The advancement of the arts

Artists receive help to develop their work, skills and career by way of grants towards, for example, framing for an exhibition, painting materials or tools.

Relief of those in need by reason of youth, age, ill-health, disability or other disadvantage

Grants for household items can help people who have been rehoused for reasons such as domestic violence, disability and/or homelessness. Contributions to mobility aids, adaptations or house repairs may be made where there are other sources to meet the balance and where there is no overlap with statutory requirements.

Public benefit

In producing their assessment of the benefit to the public provided by the charity, the Trustees confirm that they have complied with the duty set out in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefits, Charities and Public benefit.

Achievements and performance

Since 2013, the Trustees have overseen a considerable increase in their grant-making activity. This has been made possible by their decision to transfer the Fund's assets from property into other investments. In August 2012, the sale of the Fund's Maida Vale property was completed, realising £7.5m. The Trustees transferred the available funds into an investment portfolio, where a range of asset classes are represented. As a direct result of the Trustees' action, the value of the Eaton Fund's annual grant-making has risen year on year allowing the charity to support more beneficiaries. During the year ended 30 June 2016 Trustees agreed grants to 560 individuals and paid grants totalling £262,396. This compared with £231,907 awarded to 479 individuals in the year ended 30 June 2015.

Trustees undertook six rounds of grant-making in the last financial year. In each round, they were able to support people in all three categories: artists, nurses and women.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Key financial performance indicators

Financial Performance

Objective: To increase the capital value of the Fund's portfolio at 3% above the rate of inflation as measured by RPI, over the long term.

Measure: The absolute value of the investment rose by 1.29%, but in real terms, i.e. when adjusted for RPI it decreased by 0.33%. Over three years, the real terms value rose by 5.29%.

Result: Not achieved in this year; although achieved over a longer time horizon.

Action for next year: Trustees to monitor capital growth monthly and review investment strategy if capital growth slows over the longer term.

Objective: To generate annual income sufficient to meet grant making commitments and support costs (target for grants in 2016: £265,000 i.e. equivalent to 3% of the invested capital at year end 30 June 2015).

Measure: Income generated was £300,188.

Result: Achieved.

Objective: To approve grant expenditure in line with the budgeted amount of £45,000 per meeting, over 6 grants meetings.

Measure: The average commitment was £45,799 per meeting (this includes grant commitments of £12,395 as at 30 June 2016).

Result: Achieved.

Objective: To keep support costs (i.e. administration) below 10% of income.

Measure: Support costs were 8.1% of income.

Result: Achieved.

Performance for Beneficiaries

Objective: To increase funding for beneficiaries as compared with previous year.

Measure: Funding increased by 13.1%.

Result: Achieved.

Objective: To support 'artists', 'nurses' and 'women', as defined by the Fund's guidelines.

Measure: 23% of grants supported artists, 13% of grants supported nurses, and 64% of grants supported women in need.

Result: Achieved.

Objective: To respond to 95% applicants within 5 weeks of the relevant deadline date.

Measure: 99% of applicants received a written response within this time.

Result: Achieved.

Governance and Management

Objective: To regularly review the Fund's charitable and financial performance.

Measure: 6 Trustee meetings were held with relevant advisers present.

Result: Achieved.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2016

Financial review

The Eaton Fund is set up in perpetuity, hence the Trustees' aim is to ensure that the Fund's assets are invested prudently and profitably over the long term to balance the needs of current and future beneficiaries. The Trustees agree that they must therefore balance income and capital returns. They have set out a Statement of Investment Policy to instruct their investment managers. This policy sets the managers' two benchmarks:

- (1) an income target equivalent to 3% of the value of investable assets per year, for making grants;
- (2) an increase in the capital investment of inflation (RPI) plus 3% over the longer term.

The Eaton Fund's investments are with Quilter Cheviot, Sarasin & Partners LLP (Charity Income Funds) and Mayfair Capital (Property Income Trust for Charities). In the year ending 30 June 2016, the fund managers met the Trustees' income target. The charity's total investment income were £300,188 (2015 - £286,234), allowing for total grant expenditure of £262,396 (2015 - £231,907) to 492 (2015 - 479) recipients, representing a rise of 13.1% in our annual grant-making.

Income from donations was £120 (2015 - £620). Other costs such as investment management fees and support costs were £51,580 and £24,407 respectively (2015 - £53,101 and £23,110 respectively).

However, a turbulent year on the stock market meant that the increase in capital was not reached within the year. The Trustees remain sanguine about this, since it is a long-term goal, and it has been met over the three-year period, 01 July 2013 to 30 June 2016.

Plans for future periods

The Eaton Fund will continue supporting artists, nurses and women in financial need. The Trustees have seen an increase in the number of eligible applications over the past year. This demonstrates the need for the current grants programme. There are no plans to materially alter the programme, although the Trustees keep the number and type of applications under review. The Trustees intend, as far as possible, to spend all their available income on charitable activities.

The Trustees have considered the possible impact of the UK's decision to leave the EU on the Eaton Fund. While the picture remains uncertain, the Board recognises that an adverse effect on the UK economy could lead to an increase in applications, a decrease in the value of its investments or a tightening in its income stream. The Board considers that it has built up sufficient cash and unapplied reserves to cope with these risks in the medium term.

Risk management

The Trustees recognise that the main risk to their finances is a downturn in the financial markets. They mitigate this risk by instructing a qualified Investment Adviser, Paul Baldwin of Foster Denovo, to oversee their portfolio. The Trustees and their Adviser meet every two months to review the investment portfolio, including an analysis of return, risk, and asset allocation. The Adviser is instructed to maintain a diverse portfolio with a range of suitable asset classes, and to report on a quarterly and annual basis against their benchmarks. The Trustees also take heed of the Adviser's observations and suggestions for managing risks.

The Trustees are aware that investments have social, ethical and environmental dimensions. To take this into account, they prefer to invest in funds that are specifically designed for charities.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016**

Reserves policy

The Trustees have a robust reserves policy, which is reviewed annually. They continue to work towards a rolling liquidity reserve of 12 months' running costs, to include the payment of grant awards, manager's fee, governance and administration expenses.

At year end, cash reserves were £220,000 comprising £150,000 in deposit accounts and £70,000 in a current account.

Total Return Investment policy

The Trustees have adopted a Total Return Investment policy since 2013. The initial value of the trust for investment was established as £7,748,618 as at 30 June 2013. This value was arrived at, with the advice of the Auditors, Griffin Stone Moscrop, following the sale of the Eaton Fund's major asset, the Maida Vale property, and the transfer of funds to the stock market. Since 2013 the Trustees have allowed the unapplied total return to remain in tact. Following the intentions set out in their Statement of Investment Policy, they have restricted their spending to the income from the investment portfolios and as such have had no need to consider a transfer of the unapplied total return to the Unrestricted fund. For more information, see Note 1.4 and 17 within the accounts.

Trustees' responsibilities statement

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

The law applicable to charities in England & Wales 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 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 Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

This report was approved by the Trustees on 20 January 2017 and signed on their behalf by:

.....
Dr Stephen Kane
Chairman

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

We have audited the financial statements of The Eaton Fund for Artists, Nurses and Gentlewomen for the year ended 30 June 2016 set out on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 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' 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 30 June 2016 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.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EATON FUND FOR ARTISTS,
NURSES AND GENTLEWOMEN**

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' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street
London
WC1N 3GS

Date:
25 January 2017

Griffin Stone Moscrop & Co are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:					
Donations and legacies	2	-	120	120	620
Investments	3	-	300,188	300,188	286,234
Total income and endowments		<u>-</u>	<u>300,308</u>	<u>300,308</u>	<u>286,854</u>
Expenditure on:					
Investment management fees	5	51,580	-	51,580	53,101
Charitable activities	6,9	-	292,781	292,781	260,671
Total expenditure	4	<u>51,580</u>	<u>292,781</u>	<u>344,361</u>	<u>313,772</u>
Net income / (expenditure) before investment gains		<u>(51,580)</u>	<u>7,527</u>	<u>(44,053)</u>	<u>(26,918)</u>
Net gains on investments	11	167,978	-	167,978	418,236
Net income and Movement in funds		<u>116,398</u>	<u>7,527</u>	<u>123,925</u>	<u>391,318</u>
Reconciliation of funds:					
Total funds brought forward	15	8,498,026	592,367	9,090,393	8,699,075
Total funds carried forward		<u><u>8,614,424</u></u>	<u><u>599,894</u></u>	<u><u>9,214,318</u></u>	<u><u>9,090,393</u></u>

All activities relate to continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**BALANCE SHEET
AS AT 30 JUNE 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	11		8,856,883		8,725,873
Current assets					
Debtors	12	145,632		161,703	
Cash at bank and in hand		219,901		214,748	
			<u>365,533</u>	<u>376,451</u>	
Creditors: amounts falling due within one year	13	(8,098)		(11,931)	
Net current assets			<u>357,435</u>		<u>364,520</u>
Net assets			<u>9,214,318</u>		<u>9,090,393</u>
Charitable funds					
Endowment funds	16,17		8,614,424		8,498,026
Unrestricted funds	16		599,894		592,367
Total funds			<u>9,214,318</u>		<u>9,090,393</u>

The financial statements were approved by the Trustees on 20 January 2017 and signed on their behalf, by:

.....
Dr Stephen Kane
Chairman

The notes on pages 13 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The 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 Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Eaton Fund for Artists, Nurses and Gentlewomen constitutes a public benefit entity as defined by FRS 102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these financial statements, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

No restatements were required.

1.2 Statement of cash flows- exemption

Under the amended Charities SORP (FRS102), The Eaton Fund for Artists, Nurses and Gentlewomen (the charity) is defined as a small charity and as a result is exempt from preparing a statement of cash flows.

1.3 Fund accounting

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

Endowment funds are capital funds, originated from the two properties vested in the charity which now take the form of investments held following the subsequent sale of the properties, that must be retained for the benefit of the charity. It has been agreed that all incoming resources associated with these investments can be utilised for unrestricted purposes. During the year ended 30 June 2014 the Trustees decided to adopt the Total Return Investment policy introduced by the Charity Commission. As a result the Trustees have determined a value, based on historic financial information available to them, for the "original endowment" of £7,748,618 being the Endowment Fund value as at 30.06.13. Thereafter all movements in the Endowment Fund will be accounted for as the "unapplied total return" held within the Endowment Fund. The "unapplied total return" will be held as such until such a time as the Trustees determine that it is satisfactory to release such funds in full or in part to the Unrestricted funds to be used as income in line with the regulations. For more information please refer to Note 17.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. Accounting policies (continued)

1.4 Income

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.

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

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

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Listed investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains on investments' in the Statement of financial activities.

1.7 Interest receivable

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

1.8 Debtors

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

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Accounting policies (continued)

1.9 Cash at Bank and in hand

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

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

2. Income from donations and legacies

	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	120	120	620

In 2015, the total income from donations and legacies of £620 related to unrestricted funds.

3. Investment income

	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Dividend income	-	198,829	198,829	185,660
Interest receivable	-	101,359	101,359	100,574
	-	300,188	300,188	286,234

In 2015, the total investment income of £286,234 related to unrestricted funds.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

4. Analysis of resources expended by expenditure type

	Total 2016 £	Total 2015 £
Investment management fees:		
Investment management costs (Note 5)	51,580	53,101
Charitable activities:		
Direct costs (grants plus management and administration- Note 6)	286,803	255,017
Expenditure on governance (Note 9)	5,978	5,654
	344,361	313,772
	344,361	313,772

5. Investment management fees

	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment management fees	51,580	-	51,580	53,101
	51,580	-	51,580	53,101

In 2015, the total investment management fee of £53,101 related to endowment funds.

6. Analysis of direct costs

	Grants to beneficiaries 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Direct costs	262,396	24,407	286,803	255,017
	262,396	24,407	286,803	255,017

In 2015, the total direct cost of £255,017 related to unrestricted funds.

Expenditure on charitable activities, as shown on the SOFA, total £293,980 (2015 - £260,671) which is made up of £292,781 (2015 - £255,017) direct costs as above and Governance costs (Note 9) £5,978 (2015 - £5,654).

7. Grants to beneficiaries

	Number	2016 £	Number	2015 £
Grants to individuals	492	262,396	479	231,907
	492	262,396	479	231,907

23% of grants supported artists, 13% of grants supported nurses, and 64% of grants supported women in need.

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. Management and administration

	Support costs 2016 £	Total 2015 £
Insurance	387	376
Manager's fee	19,680	17,520
Legal and professional fees	-	258
Subscriptions	734	658
Bank charges	64	35
Postage and stationery	2,362	1,751
Sundry expenses	476	975
Room hire	360	636
Donation	-	100
Computer costs	-	500
Travel	344	301
	<u>24,407</u>	<u>23,110</u>

9. Governance costs

	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	-	4,734	4,734	4,505
Accountancy	-	1,094	1,094	776
Trustees expenses	-	150	150	373
	<u>-</u>	<u>5,978</u>	<u>5,978</u>	<u>5,654</u>

10. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration - audit	<u>4,734</u>	<u>4,505</u>

During the year, no Trustees received any remuneration (2015 - the same).

During the year, no Trustees received any benefits in kind (2015 - the same).

During the year, two Trustees received reimbursement of expenses totalling £150 (2015 - three Trustees received reimbursement of expenses totalling £470).

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Fixed asset investments

	Listed investments
Market value	
At 1 July 2015	8,725,873
Additions	79,720
Disposals	(107,379)
Unrealised gain on investments	158,669
	8,856,883
At 30 June 2016	8,856,883

Valuation

Listed investments are included in the Balance sheet at market value.

Material investments

The Trustees consider individual holdings of listed investments with a market value at the Balance sheet date in excess of 5% of the total market value of the listed investments at that date to be material in the context of the investment portfolio. Details of the material investments are as follows:

	30 June 2016 £	30 June 2015 £
Allianz Global Investments UK 260,000 (2015: 286,050) shares	484,848	482,852
Alpha CIF for Endowments 3,140,807.35 (2015: 3,154,560.79) income units	2,903,048	2,923,016
Alpha CIF for Income and Reserves 855,201.81 (2015: the same) income units	944,143	918,487
Mayfair Capital Property Income Trust for Charities 1,433,433.64 (2015: the same) income units	1,195,340	1,158,071
	5,527,379	5,482,426

12. Debtors

	2016 £	2015 £
Other debtors	139,091	155,288
Prepayments and accrued income	6,541	6,415
	145,632	161,703

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other creditors	-	4,636
Accruals and deferred income	8,098	7,295
	8,098	11,931

14. Grant Commitments

	Total 2016 £	Total 2015 £
At 30 June 2016 the charity had commitments as follows:		
Commitments in respect of grants offered subject to conditions which have not been met at the year end:		
Within one year	12,395	11,650

15. Summary of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
General funds	592,367	300,308	(292,781)	-	599,894
Endowment funds	8,498,026	-	(51,580)	167,978	8,614,424
	9,090,393	300,308	(344,361)	167,978	9,214,318

16. Analysis of net assets between funds

	Endowment funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fixed asset investments	8,856,883	-	8,856,883	8,725,873
Current assets	(242,459)	607,992	365,533	376,451
Creditors due within one year	-	(8,098)	(8,098)	(11,931)
	8,614,424	599,894	9,214,318	9,090,393

THE EATON FUND FOR ARTISTS, NURSES AND GENTLEWOMEN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. Endowment fund and Total Return Investment Policy

Following the introduction of 'Total Return Investment' policy by the Charity Commission the Trustees considered the merits of adopting such a policy and came to the conclusion that the charity should adopt this policy. The main benefits being greater flexibility and access to funds to allow the charity to carry out its objective.

The Trustees considered the financial information of past activities in the Endowment fund and concluded that the original Endowment, as required to be determined by the regulations, should be recognised at the value of the fund as at 30 June 2013, and thereafter all movements should be recognised as 'Unapplied Total Return'.

The detailed movement on the Endowment fund for the year ended 30 June 2016 is as shown below:

	Original Endowment £	Unapplied Total Return £	Total £
Brought forward as at 30 June 2015			
Trust for Investment/original endowment	7,748,618	-	7,748,618
Unapplied Total Return	-	749,408	749,408
	7,748,618	749,408	8,498,026
Movements in the period			
Investment management expenses	-	(51,580)	(51,580)
Charitable activities	-	-	-
Investment return			
- Realised gains on disposal of investment assets	-	9,309	9,309
- Unrealised gains on revaluation of investments	-	158,669	158,669
	-	116,398	116,398
Carried forward as at 30 June 2016			
Trust for Investment/original endowment	7,748,618	-	7,748,618
Unapplied Total Return	-	865,806	865,806
	7,748,618	865,806	8,614,424
Total	7,748,618	865,806	8,614,424