

Newcomen Collett Foundation

Charity No. 312804

Financial Statements

for the year ended 30th September 2016

Newcomen Collett Foundation

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Newcomen Collett Foundation

Report of the Governors for 2016

1. OBJECTIVES AND ACTIVITIES

Purposes of the Foundation

The Foundation was formed by the merger in 1988 of two much older charities. The Elizabeth Newcomen Educational Foundation was formed in 1685 and John Collett Educational Foundation in 1711. Both charities had been set up for the benefit of young people in and around Southwark.

The charitable purposes of the Newcomen Collett Foundation are:

- a) relieving children with learning difficulties attending the Newcomen Centre at Guy's Hospital (the work is now done through Sunshine House in Camberwell).
- b) making yearly payments to the Parish School of the Cathedral Church of St Saviour and St Mary Overie, Southwark towards the rent, alterations and repairs to the premises of the School.
- c) making payments to any other Church of England Voluntary Aided School in the London Borough of Southwark towards the rent, alterations and repairs to the premises of the School.
- d) promoting education of persons under the age of 25 years resident in the London Borough of Southwark.

Public Benefit

The objects and purposes of the Foundation are set out in the first paragraphs of this Report. The Governors confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Activities

The affairs of the Foundation are separated into two principal areas and this is reflected on the Statement of Financial Activities ("SOFA") on page 4. The two principal areas are Investment Management and Grant-Making. These are explained in more detail below.

For many years, the Foundation has shared the offices and costs with Marshall's Charity, another grant-making charity. We will deal with this relationship further under the section on Governance below.

A) Investment Management

As an Endowed Foundation one of the primary tasks of the Governors is to manage the investment assets. The Governors have adopted a policy of prudent diversification in relation to the investments and as such hold the investments in both property and equity assets.

The Investment Committee has convened on multiple occasions over the past three years to devise a strategy for the forthcoming years, and the work is ongoing. One of the key recommendations in 2014 was to diversify the property portfolio and acquire residential properties. The Governors are pleased that this was achieved in December 2014.

Over the course of 2015 the Investment Committee drafted a new Investment Policy for the Foundation. This Policy sets the investment strategy for the next ten years, and proposes a change in the ratio of property assets to those in stocks and shares. The Policy was adopted in December 2015 for implementation from 2016.

➤ Property

Approximately 70% of the endowment is currently invested directly in property. The portfolio is diversified by size, location and class.

The property portfolio has been restructured over the past ten years. This has included using a commercial mortgage to enable the purchase of an industrial warehouse, as well as purchasing two residential properties in 2014. These investments have ensured that the property portfolio is appropriately diversified across asset classes and location.

The Investment Committee continues to actively explore the development potential of all the properties in the portfolio. Following the adoption of the new Investment Policy the Governors are also identifying which properties should continue to be held in the portfolio, and are devising a strategy for disposing of properties identified for disposal.

The Foundation's property portfolio is actively managed by the Surveyor to Marshall's Charity.

Newcomen Collett Foundation

Report of the Governors for 2016

> Securities

Approximately 30% of the current endowment is invested in securities.

The investment policy recommends diversification of risk, and as such the Foundation holds its funds in two Common Investment Funds: the Global Growth and Income Fund for Charities at Newton Investment Management, and the Charity Multi-Asset Fund with Schroders.

Both Fund Managers issue quarterly reports showing the performance of the Funds. The Governors continue to monitor performance and also to keep under review the level of securities investments held in relation to property investments.

B) Grant-Making

The objects of the Foundation provide for four types of grant:

- a) relieving children with learning difficulties attending the Newcomen Centre at Guy's Hospital (the work is now done through Sunshine House in Camberwell).
- b) making yearly payments to the Parish School of the Cathedral Church of St Saviour and St Mary Overie, Southwark towards the rent, alterations and repairs to the premises of the School.
- c) making payments to any other Church of England Voluntary Aided School in the London Borough of Southwark towards the rent, alterations and repairs to the premises of the School.
- d) promoting education of persons under the age of 25 years resident in the London Borough of Southwark.

In practice most of the grant-making activities fall within the fourth object. In relation to the first three objects:

- applications made by staff of Sunshine House on behalf of individuals are regarded as eligible for grants and are considered on their merits.
- An annual grant of £2,000 is paid to the Parish School of the Cathedral Church of St Saviour and St Mary Overie, Southwark.
- Applications for grants towards the rent, alterations and repairs of other schools are no longer accepted. The Governors decided that any grant made would be insignificant compared to the total costs, and the available funds would be better directed elsewhere.

The grants made under the fourth object fall into three categories: school uniform grants, grants to individuals and grants to organisations.

> School Uniform Grants

Each year a proportion of the available funds is made available for emergency grants to purchase school uniforms. Schools contact the Foundation to outline the pupil's situation and request a grant. Grants are awarded under Clerk's discretion and applications are usually turned around within 48 hours. The school is responsible for purchasing the items of school uniform and the Foundation reimburses the school.

> Grants to Individuals

Individuals who are under the age of 25 and have been resident in Southwark for at least two years are eligible to apply for a grant towards the cost of their education. The majority of grants are awarded towards the living costs of those attending tertiary or higher education. Priority is given to natives of Southwark, and to those embarking on their first post-school qualification. Grants to individuals under the age of 16 are usually only awarded in cases of exceptional talent or need. Individuals are eligible to apply once in any twelve month period. The Governors do not make multi-year awards, but will usually consider repeat applications from students for as long as they continue their studies.

> Grants to Organisations

Organisations who work with young people in Southwark are eligible to apply for grants. Support is given towards a breadth of activities including residential trips, music productions and equipment, sports resources, arts projects, after school clubs and holiday clubs. Priority is given to organisations who are based in Southwark and who do not charge participants to access the activity.

Newcomen Collett Foundation

Report of the Governors for 2016

2. ACHIEVEMENTS AND PERFORMANCE

Achievements

The year ended 30 September 2016 was a busy and successful year for the Foundation. The Governors are pleased that the capital value of the investment assets has increased over the year and that income returns have been in line with budget. This has enabled the Foundation to award grants of almost £70k to 84 individuals and organisations.

The various achievements are explored in more detail below.

A) Investment Management

> Property

The property portfolio has performed well over the year. Despite the economic climate over the year the capital values of the properties have been stable, and the level of income received for all properties was as expected.

In 2015 the Governors identified one property for disposal and were pleased that the sale of the property completed in August 2016 realising a gain of about £110k for the Foundation.

The Governors, with the assistance of the Surveyor, have been exploring the possibility of developing two properties in the portfolio and this work is continuing.

> Securities

The performance of the equity investments has been more variable over the year, reflecting trends in the global stock markets. However the total dividend income received was in line with the budget.

Investment Managers provide regular reports on the performance of their funds, and the Governors review the performance of their investments on a regular basis. The performance of the Foundation's investments used to be compared to the WM Index. However, since the WM Index has ceased, the Foundation now compares performance to the individual fund's own benchmarks.

B) Grant-making

The Foundation has continued to see demand increase for its grants. Consequently the Governors, with the assistance of the Field Officer, have spent time reviewing and clarifying the grant-making priorities of the Foundation. It is hoped that this will enable the Foundation's limited funds to be directed to those organisations and individuals who will benefit most from a grant.

> School Uniform Grants

24 (2015 – 44) grants were awarded for the purchase of school uniforms during the year.

> Grants to Individuals

29 (2015 – 34) grants were awarded to individuals over the year and these were generally towards the living costs of those pursuing post-16 educational opportunities.

> Grants to Organisations

55 grants were awarded to organisations for a range of projects covering the arts, drama, sports, school trips and holiday clubs.

3. FINANCIAL REVIEW

Review of Finances

The Newcomen Collett Foundation reported a surplus of £10,846 on its activities during the year, excluding gains on investments. The Governors had agreed a break-even budget for the year and had set the amount available for grants at each board meeting accordingly. The costs associated with vacant properties were significantly higher than anticipated, but this has been offset by spending less on professional fees for advice relating to development projects. The demand for uniform grants was also lower than expected.

The freehold investment properties are revalued annually by the Surveyor to Marshall's Charity. This year, in his view, there has been a slight increase in the value of the portfolio.

Newcomen Collett Foundation

Report of the Governors for 2016

Reserves Policy

The Governors have adopted a policy regarding free reserves which seeks to ensure that

- a) free reserves should be less than twelve months' overhead expenditure;
- b) there are adequate funds to ensure that the Foundation is able to meet all current and known future liabilities.

Free reserves exclude restricted funds and designated funds. They also exclude any unrestricted funds held in fixed assets. At 30 September 2016, therefore, the level of free reserves was £195,900.

The level of free reserves is considered and reviewed regularly by the Governors. Because of the strategy of making prudent levels of grants during recent years whilst the property portfolio was changing, reserves have risen to the upper end of the policy range. Consideration will be given to a reduction in reserves, and the Governors have set a budget for 2016/17 accordingly.

Going Concern

Having reviewed the financial performance for the year, the budget for the year to 30 September 2017 and plans for future years, the Governors confirm that the financial statements for the year to 30 September 2016 can be prepared on the going concern basis.

Investment Policy

The Governors adopted an Investment Policy in late 2015. Currently the Governors do not wish to impose any specific ethical investment policy; however potential investments are assessed to ensure congruence with the aims and ethos of the Foundation.

Plans for the Future

The Foundation has a long-term strategy to build up its asset base in order to provide more income for the important grant needs of the community it serves. The priority for the coming months is to implement the recommendations of the investment committee.

Risk

In 2015 the Governors and Clerk undertook a major exercise to identify the risks facing the Foundation and developed a new format Risk Register to monitor those risks. The document was adopted by the Governors in June 2015 and will continue to be used as the basis of reviewing risk in the Foundation. The Risk Register is being considered in detail at each Governors meeting and appropriate actions are being taken to mitigate any risks identified.

As at 30 September 2016 the two major risks facing the Foundation were:

- Loss/long term absence of key staff. As a small office, dependent on few individuals, the unexpected loss or extended absence of a member of staff could have a significant impact on the ability of the Foundation to continue its work. A contingency plan is in place.
- Significant loss of income due to adverse economic or political climate. The Foundation is reliant on investment income to fund its running costs and grant-making activities. A significant loss of income would therefore have a major impact on the Foundation's activities. This risk is managed through holding free reserves and the diversification of the investment portfolio. In addition staff and Governors monitor economic and political trends.

4. STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Documents & Governors

The Foundation was set up under a Scheme of the Charity Commissioners dated 16 September 1988.

The Foundation is controlled by a body of Governors, who are the trustees of the Foundation, all of whom are members of the General Meeting of Governors. Governors are elected to serve for a four year period, and may be re-elected for subsequent four year periods. There are a maximum of fourteen Governors, none of whom receives any remuneration or benefit from the Foundation.

Newcomen Collett Foundation

Report of the Governors for 2016

One Governor may be appointed as a Representative Governor by the Governors of the Cathedral School and Dame Sylvia Morris is currently that Governor. One other Governor may be appointed as a Representative Governor by the Guy's & St Thomas' Charitable Trust and that was Miss Helen Cockerill until September 2016. The Foundation is in contact with the Guy's & St Thomas' Charitable Trust about a replacement Governor.

The Governors were pleased that Canon Michael Rawson was appointed as a Governor in March 2016. The Foundation has had a long relationship with Southwark Cathedral and the Governors are delighted that the relationship continues and that Michael is able to represent the concerns of the local community.

Governor Selection & Training

The Governor Selection Committee meets as necessary to consider new appointments of Governors. This Committee last met in 2008, and did not meet in 2015/16. There are currently three vacancies for Governors on the Board and the Clerk is making contact with local businesses and organisations to identify possible candidates for the vacancies.

The Foundation is fortunate to have many highly qualified and experienced Governors who are also active in other charities. In keeping with the need to maintain the highest levels of governance, the Foundation encourages all Governors to participate in training that is relevant and which will assist them in their roles. Through our membership of the Charity Finance Group and also from professional advisers, various courses are available in many of the specialist areas that affect the Foundation.

The management of the Foundation and its assets is largely undertaken by two experienced professional staff in the persons of the Clerk and the Surveyor of Marshall's Charity, and the Foundation ensures that both of them undertake appropriate continuing professional education relevant to its needs. Both of them ensure that the relevant knowledge gained in this training is forwarded to the Governors.

Governance

As with the corporate world, the charity sector has recognised that good governance and transparency are key responsibilities in their relationship with the community they serve. The Newcomen Collett Foundation seeks to ensure that it meets the highest standards in these areas consistent with the size of its operations and funds.

There are currently three committees: an Investment Committee, an Audit Committee and a Governor Selection Committee. All committees have formal terms of reference and no committee has delegated powers to act without the authority of the General Meeting of Governors. The Governors rely greatly on the careful and thoughtful work undertaken by these committees which allows the General Meeting to deal more effectively with the many issues which are its concern.

The Foundation has a working agreement with Marshall's Charity, together with a licence to occupy the premises at Newcomen Street, which sets out the terms for sharing staff between the two charities.

In order to allow potential beneficiaries to find out more easily about the work of the Foundation and their ability to qualify for grants from us, the Foundation has its own website, www.newcomencollett.org.uk. As well as providing information about the Foundation, it allows applicants to download blank application forms, thus speeding up and simplifying the process of applying to us.

Audit Committee

There are normally two meetings each year of the Committee. For convenience, these are held as joint meetings with Marshall's Charity. One of the meetings is concerned with the planning of the independent examination to be carried out and identifying the areas of special interest which the Governors wish to be examined by the independent examiner. The other meeting reviews the annual accounts and the outcome of the audit work. In the absence of the Clerk, the independent examiner also has the opportunity to report to the Governors in confidence on any issues that might have arisen during the independent examination.

Management

The day-to-day management of the affairs of the Foundation is delegated to the Clerk and the Field Officer. The Governors believe that the operation of a Foundation with assets and income of this scale requires management by professionally trained staff with its necessary costs. They are immensely grateful to both the Clerk and the Field Officer for their dedication to the work of the Foundation, as well as the support given by John Hutchings as Surveyor to Marshall's Charity, who reports regularly to the Governors on matters related to the property portfolio of the Foundation.

Newcomen Collett Foundation

Report of the Governors for 2016

Remuneration Committee

The pay arrangements of the staff are dealt with by the Remuneration Committee of Marshall's Charity. In view of the close working relationship between the charities, the Committee invites the Newcomen Collett Foundation to nominate a representative to join them for the Meetings, and the Chairman of the Foundation has attended in 2015 and 2016.

Remuneration Policy

The Governors are grateful for the commitment and enthusiasm of the Foundation's staff. The Governors take the view that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering the Foundation's important work. In order to do this the Foundation reviews its salaries on a regular basis and this is done through the Remuneration Committee. At its annual meeting the Committee receives a report from the Clerk on staff issues and performance, and then considers sector and national pay rates and conditions, and levels of inflation, before preparing its recommendations to the Governors.

Statement of Governors' Responsibilities

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

The law applicable to charities in England & Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources of the Foundation for that period.

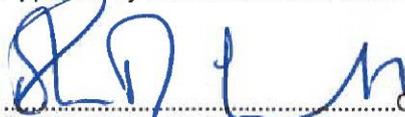
In preparing these financial statements the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 Foundation will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Report) Regulations 2008 and the provisions of its Constitutional Scheme. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Approved by the Governors on 9 March 2017 and signed on their behalf:


.....Chairman


.....Governor

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NEWCOMEN COLLETT FOUNDATION

I report on the accounts of the charity for the year ended 30 September 2016 which are set out on pages 4 to 15.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Charities Act 2011 and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Adam Halsey FCA DChA
haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Date: 9 MARCH 2017

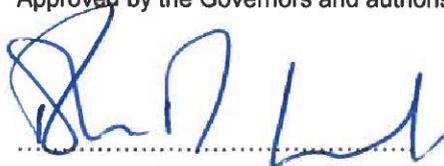
	Notes	Unrestricted Funds	Endowment Fund	Total 2016	Total 2015
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Investment income					
Property rentals		153,237	-	153,237	164,935
Dividends & interest	4	26,892	-	26,892	28,690
Insurance commission		2,195	-	2,195	2,202
Total income		182,324	-	182,324	195,827
EXPENDITURE ON:					
Raising funds	14	73,048	-	73,048	53,302
Charitable activities	14	98,430	-	98,430	106,419
Total expenditure		171,478	-	171,478	159,721
Net income before gains and losses on investment		10,846	-	10,846	36,106
Net recognised gains / (losses) on investment					
Property - realised		-	111,867	111,867	-
Property - unrealised		-	24,400	24,400	48,593
Securities - realised		-	-	-	3,453
Securities - unrealised		-	106,704	106,704	(13,088)
Net income after gains and losses on investment		10,846	242,971	253,817	75,064
Transfers between funds		-	-	-	-
Net movement in funds		10,846	242,971	253,817	75,064
<i>Reconciliation of funds:</i>					
Total funds brought forward		520,057	2,574,073	3,094,130	3,019,066
Total funds carried forward		530,903	2,817,044	3,347,947	3,094,130

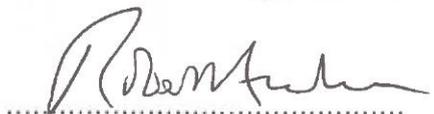
All the above amounts relate to continuing activities and include all recognised gains and losses.

The notes on pages 7 to 13 form part of these accounts.

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Investments - General Purposes					
<i>Freeholds</i>	2		1,973,500		2,367,100
<i>Securities</i>	3		796,523		689,819
			<u>2,770,023</u>		<u>3,056,919</u>
CURRENT ASSETS					
<i>Debtors and prepayments</i>	5	32,573		33,325	
<i>Cash at bank and in hand</i>		707,542		65,154	
		<u>740,115</u>		<u>98,479</u>	
Creditors: Amounts falling due within one year	6	<u>(162,191)</u>		<u>(61,268)</u>	
Net current assets			577,924		37,211
NET ASSETS			<u><u>3,347,947</u></u>		<u><u>3,094,130</u></u>
FUNDS					
<i>Unrestricted Fund</i>			530,903		520,057
<i>Endowment Fund</i>	7		2,817,044		2,574,073
TOTAL FUNDS			<u><u>3,347,947</u></u>		<u><u>3,094,130</u></u>

Approved by the Governors and authorised for issue on 9 March 2017 and signed on their behalf:


 Governor


 Governor

The notes on pages 7 to 13 form part of these accounts.

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	16	(69,803)	(190,453)
Cash flows from investing activities:			
<i>Dividends, interest and rents from investments</i>		182,324	195,827
<i>Proceeds from the sale of property and equipment</i>		529,867	-
<i>Purchase of property and equipment</i>		-	(363,707)
<i>Proceeds from sale of investments</i>		-	244,960
Net cash provided by (used in) investing activities		712,191	77,080
Change in cash and cash equivalents in the reporting period		642,388	(113,373)
Cash and cash equivalents at the beginning of the reporting period		65,154	178,527
Cash and cash equivalents at the end of the reporting period		707,542	65,154

1. Accounting Policies

- a The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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 Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011.
- b The Foundation constitutes a public benefit entity as defined by FRS102.
- c The governors considered that there are no material uncertainties about the Foundation's ability to continue as a going concern.
- d In preparing the accounts the governors have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/expenditure as previously stated	36,106
Adjustment for gains/(losses) on investments now treated as a component of net income	38,958
2015 net income as restated	<u>75,064</u>

- e All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Rental income is credited when receivable. Security income is credited on an accruals basis.
- f Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Repairs and renewals to property are charged to the Statement of Financial Activities when incurred. Grants are treated as expenditure when authorised by the governors and communicated to the beneficiaries, not when the grants are paid.
- g Staff pension contributions are made under a defined contributions scheme, and the funds are held by fully independent insurance companies. No liability exists under the scheme except for the amount of the contributions charged in the year.
- h Irrecoverable VAT is charged against the expenditure heading for which it was incurred.
- i All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads have then been allocated between the categories on the basis of the total staff costs.
- j All securities (general purposes) are shown at mid-market value and properties are valued at open market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
- k The Foundation has a single permanent endowment. The governors have the powers to invest the capital in perpetuity and apply the income to the general purposes of the Foundation, namely to provide educational grants to young people in the London Borough of Southwark.

1. Accounting Policies (continued)

- l. In the application of the accounting policies, governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and valuation of properties and are discussed below.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

- m. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

2 Freehold properties

	ENDOWMENT FUNDS	
	2016	2015
	£	£
<i>Opening balance at 1st October 2015</i>	2,367,100	1,954,800
<i>Additions during the year</i>	-	363,707
<i>Disposals during the year</i>	(418,000)	-
<i>Revaluation of properties at year end</i>	24,400	48,593
<i>Closing balance at 30th September 2016</i>	1,973,500	2,367,100

The property portfolio has been valued by Mr J D Hutchings DipBs FCAbe FRICS, who is the Surveyor to Marshall's Charity. The valuation is on the basis of open market value.

3 Securities - UK Managed Funds

	ENDOWMENT FUNDS	
	2016	2015
	£	£
<i>Market value at 1st October 2015</i>	689,819	944,414
<i>Disposals during the year</i>	-	(244,960)
<i>Net gain/(loss) on revaluations during year</i>	106,704	(9,635)
	796,523	689,819
<i>Market value at 30th September 2016</i>	796,523	689,819
<i>Historical cost at 30th September 2016</i>	526,730	526,730

At 30 September 2015, securities consisted of the following holdings:

	Market value
<i>Newton Global Growth & Income Fund units</i>	434,400
<i>Schroder Charity Multi-Asset Fund</i>	340,080
<i>Charibond Income Fund units</i>	22,043

4 Dividends and interest on securities

UK dividends and interest on securities

Other interest received

2016	2015
£	£
26,780	28,598
112	92
26,892	28,690

5 Debtors and prepayments

Rents due from tenants and agents

UNRESTRICTED FUNDS	
2016	2015
£	£
32,573	33,325

6 Creditors: amounts falling due within one year

Grants authorised but unpaid

Rent deposits

Value Added Tax

Other creditors

UNRESTRICTED FUNDS	
2016	2015
£	£
37,868	41,147
12,777	12,777
110,046	5,844
1,500	1,500
162,191	61,268

Rent deposits

These represent the liability for rent deposits of tenants held for various future periods. The compensating deposits, in the name of the Foundation, are included in Cash at bank and in hand.

7 Endowment Fund

	2016	2015
	£	£
<i>Balance brought forward from previous year</i>	2,574,073	2,535,115
<i>Adjustment to market value of properties</i>	24,400	48,593
<i>Gain on disposal of property</i>	111,867	-
<i>Adjustment to market value of securities</i>	106,704	(9,635)
	2,817,044	2,574,073

8 Governors

- a) In 2016, £NIL (2015 - £NIL) was paid to Governors for travel expenses. No remuneration was paid to Governors by the Foundation, nor were any expenses re-imbursed to Governors by payment to a third party (2015 - £NIL).
- b) Governors were not involved in any transactions, except where the Foundation made grants to charities with which a Governor was involved but had no significant influence in that charity's management. In those cases, the Governor involved did not vote.

9 Independent Examiner fees

Fees paid to the Independent Examiner in the year totalled £1,500 (2015 - £1,500) and were all in respect of independent examination services.

10 Analysis of Net Assets between Funds

	2016		
	Investments Gen. Purposes	Net Current Assets/ (Liabilities)	Total
	£	£	£
Restricted Funds			
<i>Endowment Fund</i>	2,770,023	47,021	2,817,044
Unrestricted Funds			
<i>Unallocated Income</i>	-	530,903	530,903
	2,770,023	577,924	3,347,947

11 Analysis of staff costs and remuneration of key management personnel

	2016	2015
	£	£
Salaries and assessable benefits	11,701	11,345
Social security costs	407	403
Other pension contributions	1,905	1,730
	14,013	13,478
Average number of staff (including full-time and part-time staff)		
Field Officer	1	1
	1	1

In 2016, no employees received remuneration in the band £60,000 - £70,000 (2015- 0).

The average number of full time equivalent employees during the year was 1 (2015 - 1).

No Governor receives any remuneration from the Foundation, nor were any expenses re-imbursed to Governors by payment to a third party (2015 - £NIL). Governors were not involved in any other transaction with the Foundation or any related party (2015-£NIL).

12 Allocation of support costs

The breakdown of support costs and how these were allocated between Governance and other support costs is shown below:

Cost type	2016		TOTAL	Basis of Apportionment
	Governance related	Other support costs		
	£	£	£	
Staff costs	2,658	31,945	34,603	Staff time
Office costs & overheads	-	29,567	29,567	Staff time
	2,658	61,512	64,170	

All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads (except audit costs, which have been charged to Governance) have been allocated between the categories on the basis of the total staff costs.

13 Allocation of support costs

	2016	2015
	£	£
Investment Management	30,068	30,542
Grants	34,102	33,440
	64,170	63,982

14 Expenditure

	Direct costs	Allocated support costs	2016 TOTAL	2015
	£	£	£	£
Cost of raising funds				
<i>Investment Management</i>	-	30,068	30,068	30,542
<i>Property costs</i>	42,980	-	42,980	22,760
	42,980	30,068	73,048	53,302
Charitable activities				
<i>Grant costs paid (see Note 15)</i>	64,328	34,102	98,430	106,419
	107,308	64,170	171,478	159,721

15 Major grants during the year

Recipient	Amount £
Brunswick Park Primary School	2,500
Heber Primary School	2,212
Oliver Goldsmith Primary School	2,130
Phoenix Explorer Scout Unit	2,000
St Joseph's Camberwell Catholic Schools' Federatio KIDS	1,680
Pembroke Academy of Music	1,300
Dulwich Hamlet Junior School	1,235
Camberwell After School Project	1,192
Legends Academy	1,085
	1,076
	16,410
Other grants to organisations & individuals - 74 (2015 - 132)	52,564
	68,974
Less: Cancellations during the year	(4,646)
Total net grants for the year	64,328

16 Reconciliation of net movement in funds to net cash from operating activities

	2016	2015
	£	£
Net income for the reporting period (as per the statement of financial activities)	253,817	75,064
<i>(Gains) on investments</i>	<i>(242,971)</i>	<i>(38,958)</i>
<i>Dividends, interest and rents from investments</i>	<i>(182,324)</i>	<i>(195,827)</i>
<i>Decrease/(increase in debtors</i>	<i>752</i>	<i>(14,418)</i>
<i>Increase/(decrease) in creditors</i>	<i>100,923</i>	<i>(16,314)</i>
Net cash used in operating activities	(69,803)	(190,453)

17 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Endowment Fund	Total 2015
	£	£	£
INCOME AND ENDOWMENTS FROM:			
Investment income			
<i>Property rentals</i>	164,935	-	164,935
<i>Dividends & interest</i>	28,690	-	28,690
<i>Insurance commission</i>	2,202	-	2,202
Total income	195,827	-	195,827
EXPENDITURE ON:			
Raising funds	53,302	-	53,302
Charitable activities	106,419	-	106,419
Total expenditure	159,721	-	159,721
Net income before gains and losses on investment	36,106	-	36,106
Net recognised gains / (losses) on investment			
<i>Property - unrealised</i>	-	48,593	48,593
<i>Securities - realised</i>	-	3,453	3,453
<i>Securities - unrealised</i>	-	(13,088)	(13,088)
	36,106	38,958	75,064
<i>Transfers between funds</i>	-	-	-
Net movement in funds	36,106	38,958	75,064
<i>Reconciliation of funds:</i>			
<i>Total funds brought forward</i>	483,951	2,535,115	3,019,066
Total funds carried forward	520,057	2,574,073	3,094,130

All the above amounts relate to continuing activities and include all recognised gains and losses.