



**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

Charity Registration No: 1099682
Company Registration No: 04677253
(England and Wales)

PRISM THE GIFT FUND

Charity Registration number 1099682

Company Registration number 04677253

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PRISM THE GIFT FUND

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Company Registration number 04677253

DETAILS OF THE REGISTERED OFFICE OF PRISM THE GIFT FUND AND ADDRESSES OF ITS PROFESSIONAL ADVISERS**Registered Office**

20 Gloucester Place

London

W1U 8HA

Registered Charity Number 1099682

Company Registration number 4677253

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

Auditors

The Gallagher Partnership LLP

Titchfield House

69/85 Tabernacle Street

London

EC2A 4RR

Solicitors

Farrer & Co

66 Lincoln Inn Fields

London

WC2A 3LH

Trustees

Lord Stone of Blackheath

Ms M N Waiman (retired 31 October 2016)

Ms T L Reddings

Mr C Mesquita

Mr Y Amias

Ms J Winston (appointed 31 October 2016)

Ms P Lovell (appointed 31 October 2016)

Mr M Ridley (appointed 31 October 2016)

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REPORT OF THE TRUSTEES

PRINCIPAL OBJECTIVES AND ACTIVITIES OF PRISM THE GIFT FUND

Prism the Gift Fund (Prism) aims to increase the flow of funds into the charitable sector. This is achieved by administering the giving of individuals and foundations effectively and efficiently, and in a manner beneficial to the recipients.

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

Prism has grown significantly over the last financial period, as illustrated by the substantial increase in both income and charitable spending. Our voluntary income in the year, including investment income and fees, was £27,128,038 (2015- £16,668,920).

The charitable expenditure for 2016 is over £10,000,000.

The mission of the charity is to increase the flow of funds into the charitable sector. Prism approaches this mission in two core ways (further information on each on Page 6-8):

- Providing Donor Advised Fund (DAF) services to High Net Worth (HNW) individuals and families who channel their national and international philanthropy through Prism the Gift Fund as a time, cost, and tax effective alternative to one's own grant making foundation.
- Providing Collective Fund services - charitable, finance, and governance infrastructure - to groups who want to create brands or projects of a charitable nature. Prism lends its charitable expertise as well as our charity number, administration, and due diligence services to these groups.

Structurally, Prism is one charity with multiple restricted funds that rely on operational partnerships with individual founders of either DAFs or Collectives. Over the last financial period, Prism has experienced significant growth across both these areas, which reinforces the Trustees application of the mission of the charity as something which is both necessary and welcomed by the donor community within the UK.

In addition to these restricted funds, Prism educates the professional advisory community in understanding the philanthropy landscape in the hope that the HNW individuals and families that they service will be encouraged to engage in the sector. Several of these presentations and sessions have taken place over the past financial period and, as a consequence, private client practitioners have increased their referral level and underlying dialogue with Prism the Gift Fund around philanthropy.

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Prism also runs a broader public engagement events programme in order to facilitate dialogue amongst stakeholders and also introduce new ideas around philanthropy to Prism's broader network. These events range from small dinners around the issues faced within the sector to large panel discussions around how philanthropy has had both a personal and professional impact on individuals / professions. Over the past financial period Prism the Gift Fund has co-hosted and organised events including:

- A private dinner for DAF holders
- Philanthropy as a response to infectious disease – in partnership with the Royal Society of Medicine
- Philanthropy as a response to the global oceans in crisis – in partnership with Blue Marine Foundation
- Philanthropy as a response: in conversation with Douglas Murray – in partnership with the Henry Jackson Society

Over the last financial period, Prism has grown and strengthened its infrastructure. There has been investment in database systems that have been tailor made to support the charity, an increase of staff, a full internal role restructure and implementation of robust processes to enable sustainable and substantial growth of the charity over the coming years.

Prism has been responsive and interested in the early discussions around charities being caught within the remit of organisations required, in certain circumstances, to report their outgoing funds in accordance with the Common Reporting Standard. Though this is unlikely to impact Prism, it has served as a good opportunity to analyse due diligence and disbursement processes in order to ensure that these are robust, especially in light of the growth of Collective Funds, whose work often requires partnerships with other organisations both in the UK and Overseas.

These changes in reporting are something with which Prism will have to engage on behalf of the grant making foundations it administers. This service is provided by Prism to, again, reinforce the need for efficiency and expertise in the various operational functions of running a charitable structure. Prism has provided these services to 9 external charities over this financial period, and will continue to do so over coming years.

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Future Plans

Prism hopes to continue and build on the strong base of 2015/16 and continue its growth according to the new infrastructure which has already been implemented. In addition, Prism will be investing further in staff and systems and growing the board to reflect the increase in asset base and breadth of activity of the Charity. There is also a plan to set up an over-arching Investment Committee to include board members and key staff for greater oversight of the investment portfolio of the Charity.

To reinforce and further build the public profile and awareness of the work of Prism, a new website was launched in September 2016, and further elements of external communications will be rebranded to reflect this new public presence.

An events programme has been devised and speaker opportunities for senior staff have been arranged to further increase awareness and share the work of Prism. The Trustees are encouraged by this and wish to expand on these opportunities where possible.

The Trustees also recognise that the growth of the Charity and its restricted funds is likely to continue, as is the level of disbursement made from the Charity over the coming years. In order to track this and ensure good governance, the Trustees will annually engage a team of project and forensic finance auditors to analyse disbursements and inform best practice. The first audit took place over July and August 2016 to further assess disbursements in Calais and Greece made in support of refugee communities.

The increase in donations to Prism has lead to the charity making a number of investments in order to get a greater return on its funds and therefore increase the amount available to distribute over time to other charities. The Trustees are looking to diversify the assets accepted into the charity which will increase its ability to increase the flow of funds into the charitable sector. To this end, Prism will look to accept gifts of more Property and Art over the coming year.

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FURTHER INFORMATION**DAFs**

A Donor Advised Fund (DAF) is a restricted fund within a wider charitable structure which is contributed to by an individual or family. Prism operates DAFs as a time, cost, and tax effective way to engage in higher level giving without needing to set up one's own grant making charity.

The contributors to this restricted DAF are able to make suggestions on the following aspects of the use of the restricted fund:

- Contribution type to the fund (cash, shares, property, art)
- The name of the restricted fund e.g. "The Smith Family Foundation"
- Asset management of the fund
- Recipients of disbursements from the fund worldwide
- Whether those disbursements are made anonymously or in the name of the restricted fund

The contributors to the fund cannot enact their philanthropy fully autonomously or without the knowledge of Prism. However when agreed, Prism provides a full financial administration service to this restricted fund.

An example of a DAF client profile, activity level, and interaction with Prism is as follows:

- **Profile**
 - o A donor wishes to make a cash gift of £2,000,000 to Prism which is eligible for Gift Aid. If accepted and claimed from HMRC, the donor's DAF account at Prism will contain £2,500,000
 - o The donor would like to make a similar sized gift annually for the next 5 years
 - o The donor envisages commitments to charities in the UK and overseas totalling £1,000,000 each year, and therefore there will be a significant surplus of funds, creating an endowment, within the restricted fund
 - o On this basis, the donor has identified two discretionary funds where the balance of funds would ideally be invested should it be possible
- **Process**
 - o Prism assesses the wishes of the donor both for the short and long term, including full assessment of the suggested investments the donor has identified
 - o If acceptable, a restricted fund is created (as well as a contract with the donor concerned detailing scope of how Prism and the donor will interact) in the name of the donor
 - o Relevant tax reliefs are applied for upon completion of appropriate paperwork by the donor
 - o Prism provides the donor with a relationship manager who will act as a key contact, and receive email or phone call requests for disbursements or actions around the restricted funds
 - o Upon receipt of a request, the relevant due diligence will be carried out to satisfy Prism and the Trustees that the recipient is bona fide. The donor receives quarterly

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and annual summaries including investment reports on the discretionary funds to act as a clear summary of their giving

- Prism provides a summary to the donor of contributions to the restricted fund to be used on any tax returns as applicable.

Collective Fund

A Collective Fund is a restricted fund within a wider charitable structure which is set up for specific purposes. It is often named and branded and has a public profile, raising funds from the public. Prism operates Collective Funds for those who want to fundraise in memory of someone, around a particular issue, or to test a new giving model. All funds raised are disbursed to other charitable organisations or in the fulfilment of projects that match the purposes of the Collective Fund.

Prism liaises with 'Founders' who act as project managers around the investigation and suggestion of recipients to the fund. Collective Fund founders benefit from the following by creating a restricted fund within Prism:

- Full financial administration of inflows to and outgoings from their fund
- Existing frameworks for the assessment of partners or recipients of funding
- A reliable and established structure to show accountability of their work to funders
- Governance and operational frameworks (as many Founders do not have experience in the charitable sector)
- The ability to raise funds tax effectively from the public into a recognised registered entity without the time and cost of setting up a charitable structure of their own

The Founders are accountable to Prism the Gift Fund in all their activities, and Prism has full control of all financial flows. An example of a Collective Fund in terms of profile and process of interaction with Prism is as follows:

- **Profile**
 - Two potential Founders of a fund have set up a project which seeks to educate and train refugees currently in the UK and in Greece to increase their employability at the same time they are having their asylum claims processed
 - The Founders have recruited qualified teachers to provide the training but they do not have the personal capital to fund this in perpetuity
 - The Founders have contacted some existing charities who work in similar areas and the local authority, but they are unable to incorporate the programme into their current service provisions so they would like to set up their own organisation
 - The Founders would like to fundraise through a registered charity in order to benefit from Gift Aid, and also to have the project monitored by a regulated charitable entity going forward
- **Process**
 - Prism sends an assessment questionnaire to the Founders in order to understand their aims, objectives, plans for the project and outcomes. This is then assessed by a Committee to ascertain charitable purpose, any implementation issues the Founders

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may face, and whether the project is appropriate to be housed within a charitable structure

- A restricted fund is set up within Prism to raise funds for the project, and an online fundraising presence is created to increase the means by which the public can engage with the project
- Funds are raised into the restricted pot, which the Founders have the ability to view
- Requests for relevant project expenses are submitted by the Founders on behalf of project partners. These are assessed by Prism for their suitability and remitted where applicable
- Where the Founders would like to work in partnership with another organisation, Prism's due diligence tests must first be passed, including a full look at the finances and governance.
- Records are kept by Prism that can be summarised and presented to potential funders for their restricted fund

FINANCIAL OUTCOME FOR THE YEAR

A summary of the results for the year and the resources deployed at 30 June 2016 is:

	2016	2015
Unrestricted Income	310,752	376,726
Restricted Income	26,817,286	16,312,194
	27,128,038	16,668,920
Grants payable	(10,377,852)	(4,509,960)
Other expenditure	(370,909)	(458,666)
Realised and Unrealised gain/(loss) on investment assets	1,623,353	(197,392)
Net Income transferred to total funds	18,002,630	11,522,902
Total Funds at 1 July 2015	49,260,877	37,737,975
Net surplus for the year	18,002,630	11,522,902
Total Funds at 30 June 2016	67,263,507	49,260,877

Public Benefit

The Trustees have complied with their duty under the Charities Act 2011 and have paid due regard to public benefit when preparing this report.

Providing opportunities for charitable giving has a direct benefit to the wider public and the community in general. There are no unreasonable restrictions which would prevent any beneficiary from benefiting from Prism's services. The benefit provided to the public is consistent with the charitable aims of Prism the Gift Fund.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Prism is a Charity (registered number 1099682) and a company limited by guarantee with no share capital (registered number 4677253). The governing document is the Memorandum and Articles of Association.

The objects for which the Charity is established is to encourage donors to give funds to charity in an efficient manner, beneficial to the recipients.

Under the Memorandum and Articles of Association, the Charity has the power to invest the monies of the company not immediately required for its purpose in such investments as the Trustees consider appropriate, subject to any conditions or consents imposed by law.

BOARD OF TRUSTEES

The Board of Trustees, who are also members of the Company, is required to conduct the affairs and the general business of Prism the Gift Fund and meets quarterly. The articles of association provide that one-third of the Trustees must retire at each Annual General meeting. Persons being appointed or re-appointed must be recommended to the Board or proposed by a company member not less than 14 or more than 35 days before the date of a general meeting, together with a notice of willingness to be appointed or re-appointed signed by the proposed Trustee.

The Board currently stands as follows:

Lord Stone of Blackheath

Ms T L Reddings

Mr C Mesquita

Mr Y Amias

Ms J Winston (appointed 31 October 2016)

Ms P Lovell (appointed 31 October 2016)

Mr M Ridley (appointed 31 October 2016)

New members of the Board are co-opted by existing Trustees to maintain or augment the range of skills and experience appropriate to the needs and activities of the Charity and subsequently proposed for election by the Members at the AGM.

On appointment, new Trustees are provided with appropriate Charity Commission guides, a copy of the Memorandum and Articles of Association, a full set of the Charity's Policies, the current Strategic Plan, the latest Statutory Accounts and an outline of their duties and responsibilities.

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The Board delegates responsibility for the day-to-day management of the Charity to the Management Team, Prism Administration Limited, who report to the Board on the performance of the Charity. Trustees review financial and operational trends.

RESERVES

The Board's reserves policy is to maintain a minimum level of operating costs in light of the predominant risks to the organisation, specifically a fall in income. The Board has reviewed the current unrestricted reserves of the Charity and considers that the level is sufficient but not excessive. The Charity has unrestricted reserves to cover 12 months operation costs.

RISK

The Trustees have undertaken procedures in order to implement SORP 2015 as it is acknowledged best practice for charities. They have undertaken a risk management process, which outlines the key risks of the Charity, relevant control procedures, responsibilities and future actions to be taken. Future monitoring of risk has now become embedded within the overall agreed procedures of the Charity.

The Trustees are creating sub-committees of the Trustee Board. In particular these sub-committees will look at finance and investment related activities of the Charity.

The Trustees are satisfied that all the major risks to which the Charity is exposed are being reviewed and systems of internal control are being established to manage those risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Charity has a comprehensive Trustee Indemnity Insurance Policy.

INVESTMENT POLICY

The Board of Trustees is responsible for setting and monitoring the investment policy of Prism's assets held until the money is onward gifted. On formulating this policy the Trustees have taken account of the guidance issued by the Charity Commission in their document CC14.

Prism's mission is to help promote and facilitate charitable giving in a flexible and efficient manner. We actively engage with our donors over the management, on-going advice and disbursement of their irrevocable gift. This policy sets the overarching parameters under which each individual donor advised fund investment policy will be devised and monitored.

Approved Charitable Investments are set out in section 511 of the Corporation Tax Act 2010 and include:

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Any investment in a charitable common investment fund, common deposit fund or similar fund established for exclusive benefit of charities or any class of charities;

- (b) Any interest in land (unless it is held as security for a debt);
- (c) Shares or securities of companies listed on a recognised stock exchange
- (d) Units in a Unit Trust Scheme;
- (e) Shares in an open-ended investment company incorporated in the United Kingdom to which section 236 of the Financial Services and Markets Act 2000 applies;
- (f) Bank deposits in respect of which interest is payable at a commercial rate (other than deposits made as part of an arrangement under which the bank makes a loan to somebody else); and
- (g) Certificates of deposit;

Type 12 Investments, as referred to in section 511 of the Corporation Tax Act 2010, namely any loan or other investment which a HMRC officer is satisfied is made for the benefit of the Charity and not for the avoidance of tax (whether by the Charity or any other person), must get Board approval prior to any investment.

Investment Objective

Short-term assets awaiting disbursement will be held in cash or near cash with the primary focus on capital preservation.

Longer term assets will be invested with the aim of at least maintaining the value or purchasing power in real terms (i.e. against inflation or RPI)

Implementation

In consultation with the donor we will consider the following options:

Money with a short time horizon (generally less than three years) will be placed on deposit with a suitable institution or institutions or into an appropriate vehicle that has been set up to deliver cash or near cash returns. All Institutions and products will have been put through Prism's due diligence process.

For individual donor advised funds with longer time horizons, but with insufficient funds to achieve the necessary diversification, we will consider investing in one or more Common Investment Funds or collective investment schemes to achieve the agreed investment strategy.

For more significant funds, we will consider engaging a discretionary investment manager to actively manage a portfolio within the donor advised fund's investment policy, having carried out the necessary and on-going due diligence of the professional firm or firms.

For more significant funds where the donor wants to be more involved with the investment strategy, Prism will set up an 'Investment sub Committee' to take on the active management of these assets within the clear guidelines (including a written investment policy) set and approved by the Board.

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Risk tolerance

A reasonable level of capital volatility within our long term investments is acceptable given Prism's long term time horizon, but the overall assets should be well diversified across asset classes and individual investments.

Credit risk

Cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Bond exposure should be focused on investment grade issuers but a modest exposure to high yield bonds is permitted.

Obligations on Trustees, staff and external members of Investment Committees:

- Use their skills when making decisions drawing on common sense, experience and knowledge of investments
- Satisfy themselves that any investment is suitable for the Charity
- Consider the need for diversification
- Take professional advice as required from an appropriate and qualified person

Each donor advised fund will be accessed on the following criteria:

Time horizon
Suitability
Diversification
Liquidity requirements
Risk profile
Ethical policy
Rate of expected drawdown for disbursement

Responsible investment/Ethical Strategy

In principle the board intends Prism to be a responsible investor, to be mindful of how the assets are invested and the potential for any reputational risk as a charitable organisation. In consultation with each individual donor and as part of establishing the statement of investment policy, we will consider the practicalities of implementing a policy.

There are no specific constraints on the investment portfolio in terms of ethical, social or environmental matters, but each investment manager is expected to take into account best practice in terms of corporate governance and SRI factors when assessing any individual investment. Where we engage the services of an active manager, they are expected to take into account environmental, social and governance (ESG) issues in their investment analysis and decision-making processes and engage with company management when appropriate.

Reporting

A report for each donor advised fund will be prepared annually that summaries the investment objective, benchmark or benchmarks set against the stated objective and performance over both the short and long term. The board will consider whether the investment strategy (including the

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statement of investment policy) remains appropriate with the donor's on-going disbursement strategy.

A report will be prepared giving Prism's total assets, the combined asset allocation and in and out flows so that the board can ensure investments remain suitable with the appropriate diversification and risk profile as a whole that is commensurate for a charitable organisation.

Benchmarking

Investments will be measured against inflation and relevant market or peer group indices.

Monitoring

Statement of investment policy and each Donor advised Fund's individual policy will be kept under constant review and each policy will be reviewed formally at least annually to ensure they remain relevant, cohesive and consistent with Prism's mission.

TRUSTEES' RESPONSIBILITIES

The Directors (who are also Trustees for the purposes of charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 judgements 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to

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ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2016 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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STATEMENT OF DISCLOSURE TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the Trustees believe they have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, The Gallagher Partnership LLP, have expressed their willingness to be appointed and a resolution concerning their appointment will be proposed at the annual general meeting

By order of the Board

A handwritten signature in black ink, appearing to read 'Lord Stone of Blackheath', written in a cursive style.

Lord Stone of Blackheath
Trustee

14 March 2017

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INDEPENDENT AUDITORS' REPORT TO MEMBERS OF PRISM THE GIFT FUND

We have audited the financial statements of Prism the Gift Fund for the year ended 30 June 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with the Charities Act 2016. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the Directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2016 rather than the Companies Act 2006 and report in accordance with regulations made under section 1554 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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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 30 June 2016 and of its incurring 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and

have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2016.

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 2016 requires us to report to you if, in our opinion:

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

the charitable company has not kept adequate accounting records for our audit; or the charitable company 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; or the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Samuel David Clarke
Senior Statutory Auditor
For and on behalf of
The Gallagher Partnership LLP
Chartered Accountants and Statutory Auditors
69/85 Tabernacle Street
London EC2A 4RR
Date March 2017

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2016

		Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Note				
Income from					
Donations	2		26,492,027	26,492,027	15,866,896
Other income		297,429	0	297,429	368,946
Investments	3	13,323	325,259	338,582	453,078
Total		310,752	26,817,286	27,128,038	16,688,920
Expenditure on					
Charitable activities		273,857	10,474,904	10,748,761	4,968,626
Total		273,857	10,474,904	10,748,761	4,968,626
Net (loss)/gain on investments		0	504,838	504,838	(197,392)
Net gain/(loss on revaluation of fixed asset investments		0	1,118,515	1,118,515	0
Net Movement in Funds		36,895	17,965,735	18,002,630	11,522,902
Total Funds brought forward at 1 July 2015		493,365	48,767,512	49,260,877	37,737,975
Total Funds carried forward at 30 June 2016		530,260	66,733,247	67,263,507	49,260,877

All of the above results were derived from continuing activities. The Charity has no recognised gains or losses other than those dealt with in the Statement of Financial Activities

The notes on 21 to 30 form part of these accounts

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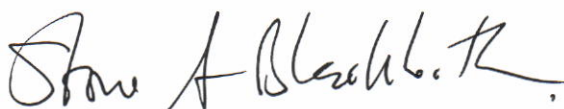
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BALANCE SHEET AT 30 JUNE 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Property Investment	5	4,764,000	4,764,000
Other Investments	5	45,792,161	34,134,132
Total		50,556,161	38,898,132
CURRENT ASSETS			
Cash at bank and in hand		16,760,232	10,383,262
Debtors		67,377	31,825
Creditors Amounts falling due within one year		(120,263)	(52,342)
NET CURRENT ASSETS		16,707,346	10,362,745
NET ASSETS		67,263,507	49,260,877
Unrestricted funds	6	530,260	493,365
Restricted funds	6	66,733,247	48,767,512
TOTAL FUNDS		67,263,507	49,260,877

The financial statements were approved by the Board on 14 March 2017 and signed on its behalf by:



Lord Stone of Blackheath

Trustee

Company number 04677253

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CASH FLOW SHEET FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	£	£
Net cash inflow from operating activities	18,002,630	11,522,902
(Decrease)/Increase in debtors	34,352	(1,200)
Increase in creditors	(66,721)	(15,120)
Increase in fixed asset investments	11,658,029	8,041,047
Increase/(Decrease) in cash at bank	<u>6,376,970</u>	<u>3,498,175</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In applying the Trustees' accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical judgements in applying the company's accounting policies

The critical judgement that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

Assessing indicators and impairment

In assessing whether there have been any indicators or impairment of assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

PRISM THE GIFT FUND

Charity Registration number 1099682

Company Registration number 04677253

Notes to the Accounts for the year ended 30 June 2016 (cont)**Key sources of estimation uncertainty**

Due to the straight forward nature of the activities of the charity, the Trustees do not believe that there are any estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Funds Structure

Unrestricted and can be used in accordance for the charitable activities at the discretion of the Trustees.

Restricted funds are donations made to Prism and the onward designation of those donations is directed by the donor in agreement with the Trustees. Sometimes known as donor advised funds, the majority of the donation income of Prism falls into this category.

Donation income recognition

Charitable income is recognised on a cash received basis other than where an accruals basis provides a more accurate basis or will give a fairer representation of the underlying nature of the transaction. Income is recognised so far as there is entitlement to the income, there is certainty of its receipt and the amount is quantifiable.

Investment income recognition

All Investment income is recognised in the Statement of Financial Activities in the period in which the charity is entitled to receipt.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

Fixed asset investments

Quoted Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing mid-market value.

Property and Unquoted investments are initially recognised at cost and subsequently Measured at fair value unless fair value cannot be measured reliably in which case they are measured at cost less impairment.

PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**Realised gains and losses**

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 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 fair value at the year end and their carrying value.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds basic financial instruments which comprise cash at bank, trade and other receivables and trade and other payables.

Financial assets - classified as basic financial instruments**(i) Cash at bank and in hand**

Cash at bank and in hand include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Other receivables

Other receivables are initially recognised at the transaction price, including any transaction costs. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the company assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**(iii) Other payables**

Other payables are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the discounted amount of the cash expected to be paid.

Going concern

After making enquiries, the trustees believe that Prism has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees have continued to adopt the going concern basis in preparing the financial statements.

1. INCOME FROM DONATIONS

Individuals donation income	£21,956,904
Collectives donation income	<u>£4,535,123</u>
Total	<u>£26,492,027</u>

2. INCOME FROM INVESTMENTS

	2016	2015
	£	£
Interest and dividend receivable	<u>338,582</u>	<u>453,078</u>
	<u>338,582</u>	<u>453,078</u>

PRISM THE GIFT FUND

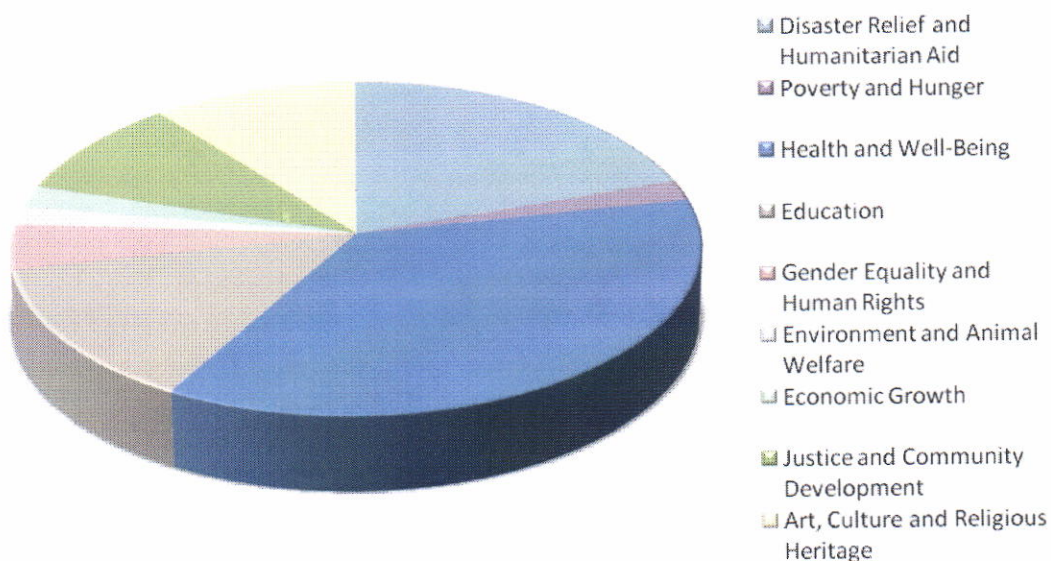
Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)

3. CHARITABLE EXPENDITURE

Disaster Relief and Humanitarian Aid	1,993,308
Poverty and Hunger	200,623
Health and Well-Being	3,809,545
Education	1,416,381
Gender Equality and Human Rights	455,713
Environment and Animal Welfare	177,085
Economic Growth	219,224
Justice and Community Development	1,008,278
Art, Culture and Religious Heritage	1,097,690
Total	<u>£10,377,852</u>



PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**Direct charitable expenditure**

	Other Costs £	Total £
Direct charitable expenditure		
Support costs	364,409	364,409
Governance costs	1,500	1,500
Total	370,909	370,909

Governance costs are fees of £1,500 (2015 £1,500) payable to the auditors for audit fees and other accounting services.

Management and administration costs include office rent, donation administration and other office costs.

No payments are made to Trustees.

4. NET INCOME FOR THE YEAR

	2016 £	2015 £
The net income for the year is stated after charging:		
Auditors remuneration	<u>1,500</u>	<u>1,500</u>

PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**5. FIXED ASSET PROPERTY INVESTMENT-RESTRICTED FUND**

	Restricted	Total
	£	£
Fair value at 1 July 2015	4,764,000	4,764,000
Fair value at 30 June 2016	<u>4,764,000</u>	<u>4,764,000</u>

The charitable company purchased a property in April 2012.

The Trustees believe that the year-end fair value of the property equates to the cost of purchase.

Listed investments – restricted fund	Total
	£
Fair value as at 1 July 2015	34,134,132
Additions in the year	13,860,368
Disposals	(3,320,854)
Change in value in the year	1,118,515
Fair value at 30 June 2016	<u>45,792,161</u>

The value of the holdings has been disclosed at their fair value on 30 June 2016.

Included in investments held at the balance sheet date was ;

Equities: £979,826

Bonds: £4,163,373

Hedge Funds: £11,896,445

Mixed Portfolio: £28,752,517

Total: £45,792,161

PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**6. FUNDS**

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
Balance at 1 July 2015	493,365	48,767,512	49,260,877	37,737,975
Net movement in funds	36,895	17,965,735	18,002,877	11,522,902
Balance at 30 June 2016	530,620	66,733,247	67,263,507	49,260,877
Represented by				
Tangible Fixed Assets	0	50,556,161	50,556,161	30,857,085
Cash at bank	583,146	16,177,086	16,760,232	6,885,087
Other net assets	(52,886)	0	(52,886)	(4,197)
	530,620	66,733,247	67,263,507	37,737,975

7. OPERATING LEASE COMMITMENTS

	2016	2015
At 30 June 2016 the charity has the following annual commitments under operating leases expiring as follows:		
Land and buildings:		
Between two and five years	<u>£90,000</u>	<u>£90,000</u>

The total lease commitment for the balance of the lease is £495,000

The charitable company entered into a 10 year lease at the premises shown as its registered office with effect from January 2012.

8. TRUSTEES REMUNERATION

The Trustees receive no remuneration or expenses.

PRISM THE GIFT FUND

Charity Registration number 1099682

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Notes to the Accounts for the year ended 30 June 2016 (cont)**9. STATUS**

Prism is a registered charity constituted as a company limited by guarantee, and does not have share capital. The liability of each member is limited to £1.

10. CAPITAL COMMITMENTS

The Trustees are not aware of any capital commitments.

11. CONTINGENT LIABILITIES

The Trustees are not aware of any contingent liabilities.

12. PRISM ADMINISTRATION LIMITED

Anna Josse, the founder of Prism the Gift Fund, is a Director and Shareholder of Prism Administration Limited. Gideon Lyons is also a Director and Shareholder of Prism Administration Limited.

First year adoption

This is the first year that the charity has presented its results under Charities SORP (FRS 102). The last financial statements prepared under the previous SORP 2005 were for the period ended 30 June 2015. The date of transition to the Charities SORP (FRS 102) was 1 July 2014.

Due to the straight forward nature of the charity's business and financial instruments, judgements, estimates, and provisions there were no adjustments to the charity's balance sheet at 1 July 2014 or 30 June 2015 on transition to the Charities SORP (FRS 102).