THE MAGNUS EDUCATIONAL FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
5 APRIL 2017

Charity No 528253

THE MAGNUS EDUCATIONAL FOUNDATION
YEAR ENDED 5 APRIL 2017

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THE MAGNUS EDUCATIONAL FOUNDATION
CHARITY REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 5 APRIL 2017

Charity No.	528253

TRUSTEES SERVING IN YEAR TO 5 APRIL 2017 AT DATE OF APPROVAL OF TRUSTEES' REPORT UNLESS OTHERWISE INDICATED

Ex Officio Trustees	The Mayor of Newark - (Mr R A Crowe to May 2016, Mr D Hyde from May 2016) The Rector of Newark - Reverend S Morris
Nottinghamshire County Council Trustees	S Wallace
Newark Town Council Trustees	A C Roberts
District Church Council Trustees	J Howlett
Co-optative Trustees	M D Beaumont CBE (Chairman) G S Cartledge CBE J I Derry M Furness QC C R W Grant C T Sheldon R L Watkinson
Clerk to the Trustees	A J Fearn
Administrator	Duncan & Toplis - Chartered Accountants and Business Advisers, 14 London Road, Newark, Nottinghamshire, NG14 1TW
Charity Offices	Olympic House, Doddington Road, Lincoln LN6 3SE
Independent Examiner	Tom Hudson, Stephenson Nuttall & Co., Chartered Accountants, 6/8 Castle Gate, Newark, Nottinghamshire NG24 1AX
Bankers	National Westminster Bank Plc 1 Market Place, Newark, Nottinghamshire, NG24 1DY
Property Agents	Brown & Co., The Old Bakery, 3 Norman Way, Melton Mowbray, LE13 1JE
Investment Advisors	Brewin Dolphin Securities Ltd. Olympic House, Doddington Road, Lincoln, LN6 3SE

THE MAGNUS EDUCATIONAL FOUNDATION
REPORT OF THE TRUSTEES
YEAR ENDED 5 APRIL 2017

The Trustees present their annual report and financial statements for the year ended 5 April 2017. The Financial Statements have been prepared in accordance with the Accounting Policies set out in note 1 to the accounts and in accordance with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

Objectives and Activities for the Public Benefit
Subject to payments to the Charity called Magnus Charity number 222545 (referred to as Non-Education Account in the Financial Statements) the main objects of the Charity are broadly as follows:-

(a) To provide for the Magnus Church of England School such special benefits not normally provided by the local education authority.
(b) Promoting musical education of pupils attending the school and of young choristers of the Parish church.
(c) Promoting the education of such pupils and former pupils under the age of 25 in need of financial assistance.

The objects of the Magnus Charity number 222545 are to apply three eights of the clear yearly income of The Magnus Educational Foundation as follows:

(1) As to two-ninths thereof in paying six Choristers and six Low Boys or Assistant Choristers in the Parish Church of the Ecclesiastical Parish of St Mary Magdalene, Newark upon Trent, in such proportions as the Vicar and Churchwardens of the said ecclesiastical parish think fit.

(2) As to a further two-ninths thereof in making payments in such proportions as the said vicar and churchwardens think fit to the Parish Clerk, Sexton and Vergers of the said ecclesiastical parish, or if there be no parish clerk then to the person or persons for the time being performing the duties in the said parish customarily performed by the parish clerk.

(3) As to a further two-ninths thereof in repairing and maintaining the said parish church and the furniture and fittings therein.

(4) As to the remaining three-ninths thereof in paying the same to the Nottingham and District Hospital Management Committee or its lawful successor for application in providing facilities for the benefit of the patients in Newark hospital for which provision is not made out of public funds.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

Grant Making Policy
The Trustees consider specific applications, relevant to the charitable objectives of the Foundation, from the Song School, the Church and the Magnus Church of England School. The Trustees encourage the recipients of special grants to provide reports of their subsequent achievements.

The Magnus Charity grant payments are made annually to the appropriate recipients prescribed by the scheme. These payments are made in their entirety normally in November following the year end of 5 April.

Achievements and Performance
The Trustees consider that the performance of the Charity this year has been satisfactory.

The following grants were charged to the Education Account:-

Institution:
The Magnus Church of England School:

General Grant	8,400
Music Tuition Grant	24,533
Newark Tam PCC – Choral Scholarships	6,000
	38,933

Individuals:
Pupils of the Magnus Church of England School:

Grants to Pupils 11 x £250	2,750
Write back of three cheques not cashed	(750)
	40,933

In addition the Education Account provided funds for the expenses of the Song School of £10,227 and Song School Master Grant of £25,625.

The following grants were payable in the year to 5 April 2017 to the prescribed recipients of the Magnus Charity:

		£
(1)	Choristers and Low Boys	8,309
(2)	Parish Clerk, Sexton and Vergers	8,309
(3)	Repairs to Parish Church	8,309
(4)	Newark Hospital	12,464
		37,391

Financial Review

Review of financial performance

The Statement of Financial Activities indicates Total Income of £181,611 (2016 - £223,874) and Total Expenditure of £213,189 (2016 - £270,002). Total Expenditure includes Charitable Activities of £135,356 (2016 - £232,482). The Trustees are able to transfer £62,318 to the Educational Account and £37,391 to the Non-Educational Account for the year, as shown on page 8.

Investment Policy and Performance

The Charity is reliant on the income from investments. The investment income is broadly received from stock exchange investments and securities, bank interest and rental income.

The Trustees have appointed qualified professional advisors as detailed on page 1 to manage the investments. Brown & Co manage the agricultural and commercial property in accordance with their tender for this work. Brewin Dolphin Securities Ltd manage the security investments on the terms of the Investment Policy Statement submitted to them by the Trustees in accordance with the Trustee Act 2000. The Trustees intend that the real value of their assets be maintained and enhanced over the long term by investment comprising equities, fixed income stock, agricultural and commercial property.

The current stock market portfolio objective is for a balance between income and capital growth with a medium risk preference.

In the year to 5 April 2017 the stock market remained volatile although over the year showed growth. The stockbrokers continued to actively manage the portfolio and during the course of the year the investments had a surplus on revaluation of £151,118, as shown on page 6.

There was an decrease in total investment income of £42,263 compared to the previous year. The investment income received for the year amounted to £181,591 compared with £223,854 in the previous year. There was an decrease in dividend income of £1,154. Bank interest received decreased by £408.

Rental income decreased by £46,854, due to a number of units having vacant periods during the year. This has also led to an increase in expenses relating to the investment properties due to marketing needs and the costs of having new lease agreements drawn up.

Net gains on revaluation and on investment asset disposals of £14,717 were credited to Unrestricted Funds. Net gains on revaluation and on investment asset disposals of £136,401 were credited to Endowment Funds.

Risk Management

The Trustees have examined the major strategic business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Reserves Policy

Permanent Endowment

The sum of £5,861,409 is held in Permanent Endowment for the provision of income for the Charity. Investments representing the fund may be changed from time to time but cannot be distributed to beneficiaries.

Restricted Income Funds

The Non - Educational Account transfer from general account of £37,391 is payable at 5 April 2017 and is included within creditors (see note 11). As a result there is a nil balance at 5 April 2017. The amount payable is distributed in its entirety normally in November following the April year end.

The Old Magnusians' Association Scholarship Fund produces very little income and the Trustees wish to reserve the balance of £758 for future benefits.

Unrestricted Income Fund - Estate Maintenance Fund

The Charity has an Estate Maintenance Fund for the purpose of providing for the maintenance, repair and improvement of its property (excluding the Song School land and buildings). Some of the buildings the Charity owns are old and the Trustees consider it necessary to provide for their repair and maintenance. The Trustees are anticipating that there will be expensive repairs required on the Everton Estate which may amount to the sum set aside on the Estate Maintenance Fund.

Unrestricted Income Fund - Education Account

The Trustees are aware that they need to improve and maintain the Song School which is a Grade II Listed Building and falls within Newark Town Centre Conservation Area. Large amounts of money have been spent in the past on the Song School. The Trustees expect to provide continuing support to the Song School.

Additionally, the Trustees wish to support the Magnus Church of England School with special benefits not normally provided by the relevant education authority and in the past have devoted considerable resources to this end. Projects will require Trustees approval and the Trustees may attach conditions where they deem them appropriate. The Trustees have supported the engagement of the Master of the Song School at St Mary Magdalene Church, Newark and made grants to choristers for their musical education when appropriate.

The Trustees wish to continue to hold sufficient funds in hand to ensure that they can continue to meet their long term obligations in these respects.

Plans for the Future

The Trustees have historically committed considerable resources to support the Magnus Church of England School and wish to continue this tradition.

The Trustees continually review and finance the improvement of the Song School which is a Grade II listed building and falls within Newark Town Centre Conservation Area.

Structure, Governance and Management

The original endowment of land and property was provided by Thomas Magnus, Archdeacon of the East Riding in the Metropolitan Church of York circa 1530 and has been the subject of numerous charitable schemes over the years.

The Magnus Educational Foundation is presently constituted by Charity Commission Scheme number 528253 sealed on 26 June 1985 as varied by schemes dated 24 June 1996 and 15 April 1998. The scheme sealed on 26 June 1985 refers to payments to the Charity called the Magnus Charity which is constituted by Charity Commission scheme number 222545 sealed on 19 November 1973 which in turn contains provisions relating to payments by that Charity. The payments by the Magnus Charity are included in the financial statements and notes and distinguished separately as appropriate.

The Magnus Educational Foundation does not actively fundraise and seeks to continue the philanthropic work through careful stewardship of its existing resources.

Appointment of Trustees is governed by the Charity Scheme as follows:-

2 Ex Officio Trustees (The Mayor of Newark and the Rector of Newark)

4 Nominative Trustees (Two appointed by Newark Town Council, one by the District Church Council and one by Nottinghamshire County Council)

7 Co-optative Trustees (Persons who through residence, occupation or employment or otherwise have special knowledge of the town of Newark)

Structure, Governance and Management - continued

Each Nominative Trustee appointed by the County Council shall hold office for a term ending the day of the appointment of his or her successor. Every other Nominative Trustee shall hold office for a term of four years. Co-optative Trustees shall be appointed for a term of five years.

Ordinary general meetings are usually held in May and November each year at which the Trustees agree the broad strategy and areas of activity for the Charity, including grant making, investment, reserves, risk management policies and performance.

The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Clerk to the Trustees.

The Trustees keep the skill requirements for the Trustee Body under review. In the event of a Co-optative Trustee vacancy, the Board endeavors to recruit a successor with appropriate special knowledge.

The induction process for any newly appointed Trustee includes an initial meeting with the Board of Trustees, a history of the Trust, copies of the latest Trustees' Report and Financial Statements and Charity Commission scheme. Normally, in every second year the Trustees as a body physically inspect the land and property investments of the Charity.

The Charity has appointed property agents and investment advisors to assist in the management of the investments.

Key Management Personnel and remuneration

The Trustees consider the Board of Trustees and the Clerk to the Trustees as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. In accordance with the Charity's governing document the Trustees may pay the Clerk to the Trustees such a salary as may be approved by the Charity Commissioners. Details of Trustee expenses and related party transactions are disclosed in note 13 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Clerk to the Trustees and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

Trustees' responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

(a) Select suitable accounting policies and apply them consistently;

(b) Observe the methods and principles of the Charities SORP 2015 (FRS 102);

(c) Make judgements and estimates that are reasonable and prudent;

(d) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and

(e) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. 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.

Approval

This report was approved by the Trustees on 6 June 2017 and signed on their behalf.

Michael Beaumont -Trustee
THE MAGNUS EDUCATIONAL FOUNDATION

THE MAGNUS EDUCATIONAL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 5 APRIL 2017

	Unrestricted Funds Page 8 £	Restricted Funds Page 9 £	Endowment Funds Page 10 £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments					
Donations	20	-	-	20	20
Investment income	181,591	-	-	181,591	223,854
Total income and endowments	181,611	-	-	181,611	223,874
Expenditure					
Costs of raising funds	69,708	-	8,125	77,833	37,520
Charitable activities	97,965	37,391	-	135,356	232,432
Total expenditure	167,673	37,391	8,125	213,189	270,002
Gains/(losses) on revaluation and on investment asset disposals	14,717	-	136,401	151,118	(69,844)
Gains/(losses) on revaluation on investment properties	-	-	-	-	(200,000)
Total other recognised gains/(losses)	14,717	-	136,401	151,118	(269,844)
Net income/(expenditure)	28,655	(37,391)	128,276	119,540	(315,972)
Transfers between funds	(37,391)	37,391	-	-	-
Net movement in funds	(8,736)	-	128,276	119,540	(315,972)
Reconciliation of funds					
Total Funds brought forward	513,376	758	5,733,133	6,247,267	6,263,239
Total Funds carried forward	504,640	758	5,861,409	6,366,807	6,247,267

THE MAGNUS EDUCATIONAL FOUNDATION
BALANCE SHEET
AS AT 5 APRIL 2017

	Note	Unrestricted Funds Page 8 £	Restricted Funds Page 9 £	Endowment Funds Page 10 £	Total Funds 2017 £	Total Funds 2016 £
FIXED ASSETS						
Tangible assets	6	-	-	550,000	550,000	550,000
Investments	7	-	-	5,467,751	5,467,751	5,340,078
TOTAL FIXED ASSETS		-	-	6,017,751	6,017,751	5,890,078
CURRENT ASSETS						
Debtors and prepayments	9	78,105	-	-	78,105	93,276
Investments	8	129,990	-	-	129,990	116,837
Cash at bank, in transit and in hand	10	342,574	38,149	(156,342)	224,381	274,038
TOTAL CURRENT ASSETS		550,669	38,149	(156,342)	432,476	484,151
LIABILITIES						
Creditors:						
Amounts falling due within one year	11	46,029	37,391	-	83,420	126,962
NET CURRENT ASSETS/(LIABILITIES)		504,640	758	(156,342)	349,056	357,189
TOTAL NET ASSETS		504,640	758	5,861,409	6,366,807	6,247,267
THE FUNDS OF THE CHARITY						
Permanent endowment	12	-	-	5,861,409	5,861,409	5,733,133
Restricted income funds	12	-	758	-	758	758
Unrestricted income funds	12	504,640	-	-	504,640	513,376
TOTAL CHARITY FUNDS		504,640	758	5,861,409	6,366,807	6,247,267

Approved by the Board of Trustees on 6 June 2017 and signed on its behalf

Michael Beaumont - Trustee

THE MAGNUS EDUCATIONAL FOUNDATION
UNRESTRICTED FUNDS
FOR THE YEAR ENDED 5 APRIL 2017

	Note	General Account £	Estate Maintenance £	Education Account £	TOTAL 2017 £	TOTAL 2016 £
Income and endowments						
Donations		-	-	-	20	20
Investment income						
Dividends		37,699	-	-	37,699	38,853
Interest		933	-	-	933	1,341
Rents		142,959	-	-	142,959	189,813
Previous years adjustment		-	-	-	-	(6,153)
Total income		181,591	-	20	181,611	223,874
Expenditure						
Cost of raising funds:						
Insurance		5,343	-	-	5,343	3,937
Commission lettings and expenses		20,432	-	-	20,432	8,748
Maintenance and estate inspection		19,673	-	-	19,673	10,980
Previous year adjustment		-	-	-	-	(1,542)
Bank charges and sundry expenses		176	-	-	176	155
Planning inspection		-	(275)	-	(275)	275
Drainage rates and council tax		11,397	-	-	11,397	2,950
Light and heat		3,681	-	-	3,681	3,693
Legal fees		-	9,281	-	9,281	350
		60,702	9,006	-	69,708	29,546
Charitable activities						
Song school expenses	2	-	-	10,227	10,227	28,388
Benefits	3	-	-	40,933	40,933	31,028
Musical education	4	-	-	25,625	25,625	25,000
Salary and disbursements						
- Clerk to the Trustees		12,514	-	-	12,514	12,000
Accountancy and compliance		6,550	-	-	6,550	6,450
Professional fees		916	-	-	916	-
Independent examination		1,200	-	-	1,200	1,200
		21,180	-	76,785	97,965	104,066
Total expenditure		81,882	9,006	76,785	167,673	133,612
Other recognised gains/(losses)						
Gains on investment disposals		-	-	42,236	42,236	(948)
Revaluation gains now realised		-	-	(36,579)	(36,579)	4,056
Revaluation gains/(losses) for the year	8	-	985	8,075	9,060	(19,482)
Total other recognised gains/(losses)		-	985	13,732	14,717	16,374
Net income/(expenditure)		99,709	(8,021)	(63,033)	28,655	73,888
Transfer to Education Account		(62,318)	-	62,318	-	-
Transfer to Restricted Funds		(37,391)	-	-	(37,391)	(65,731)
Net movement in funds		-	(8,021)	(715)	(8,736)	8,157
Reconciliation of funds:						
Funds brought forward		-	19,428	493,948	513,376	505,219
Funds carried forward		-	11,407	493,233	504,640	513,376

THE MAGNUS EDUCATIONAL FOUNDATION
RESTRICTED FUNDS
FOR THE YEAR ENDED 5 APRIL 2017

	Note	Non-Education Account Scholarship Fund £	*Old Magnusians Association £	TOTAL 2017 £	TOTAL 2016 £
Income and endowments					
Transfer from general account		37,391	-	37,391	65,731
Total income		37,391	-	37,391	65,731
Expenditure					
Charitable Activities					
Grants payable	5	37,391	-	37,391	128,416
Total expenditure		37,391	-	37,391	128,416
Net movements in funds		-	-	-	(62,685)
Reconciliation of funds:					
Funds brought forward		-	758	758	63,443
Funds carried forward		-	758	758	758

* to provide scholarship awards in partnership with Old Magnusians Association

THE MAGNUS EDUCATIONAL FOUNDATION
ENDOWMENT FUNDS
FOR THE YEAR ENDED 5 APRIL 2017

	Note	Permanent £	Securities £	Investment properties revaluations £	TOTAL 2017 £	TOTAL 2016 £
Income and endowments						
Interest received		-	-	-	-	-
Total income		-	-	-	-	-
Expenditure						
Costs of raising funds:						
Investment management costs		8,125	-	-	8,215	7,974
Total expenditure		8,125	-	-	8,125	7,974
Other recognised gains/(losses)						
Realised gains/(losses) on asset disposals - Securities		20,986	-	-	20,986	49,489
Revaluation gains/(losses) to previous year end realised in current year		-	(10,665)	-	(10,665)	(65,005)
Revaluation gains/(losses) for current year	7	-	126,080	-	126,080	(37,954)
Property revaluation gains for year	7	-	-	-	-	(200,000)
Total other recognised gains/(losses)		20,986	115,415	-	136,401	(253,470)
Net movement in funds		12,861	115,415	-	128,276	(261,444)
Reconciliation of funds:						
Funds brought forward		2,563,938	118,828	3,050,367	5,733,133	5,994,577
Funds carried forward		2,576,799	234,243	3,050,367	5,861,409	5,733,133

THE MAGNUS EDUCATIONAL FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2017

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements are prepared under the historical cost convention as modified by the inclusion of tangible fixed assets and investments at market value and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing. In preparing the financial statements the Charity follows best practice as laid down in the Statement of Recommended Practice Accounting and Reporting by Charities (FRS 102) issued in 2015 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Charity adopted Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Ireland' (FRS 102) in the current year and no adjustments were required on transition.

1.2 Funds Structure

Unrestricted funds 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charges against the fund.

1.3 Income recognition

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income, dividend and rent income is recognised as the Charity's right to receive payment is established.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorized under the following headings:

- Investment management costs includes portfolio management, rent collection, investment property costs.

- Expenditure on charitable activities includes grants made and and governance costs which includes all costs involving the public accountability of the Charity and its compliance with constitutional and statutory regulations and good practice.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any conditions are fulfilled.

1.5 Value Added Tax

The Charity is registered for VAT and treated as partially exempt. Income is shown net after deduction of output VAT and expenditure is shown net of VAT in the instances where it is appropriate to reclaim input VAT.

1.6 Tangible Fixed assets for use by the Charity

Tangible Fixed assets are stated at cost (or deemed cost) or valuation. Freehold properties are maintained in a state of repair such that their estimated residual value is not less than their carrying value as a result of which the annual charge for depreciation is nil. The Freehold properties are reviewed by the Trustees at the end of each reporting period for any indication of impairment. If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in expenditure through the Statement of Financial Activities.

1.7 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation and for the reasons stated on 1.6 above the annual charge for depreciation is nil. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

1.8 Investment properties

Investment properties are valued at open market value by the trustees with changes in value recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities.

1.9 Investments

Investments in securities are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

Current assets investments are short term highly liquid investments and are held at fair value.

1.10 Debtors and creditors receivable/payable within one year

Debtors and creditors receivable or payable within one year are recorded at transaction price.

1.11 Tax

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011.

1.12 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of funds for the Charity to be able to continue as a going concern.

1.13 External Scrutiny

Under the Charities Act Regulations relating to the audit threshold no audit is required for the year to 5 April 2017 but the financial statements for that year require an Independent Examination.

1.14 Financial instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. SONG SCHOOL EXPENSES

	2017	2016
	£	£
Water rates	678	647
Council tax	1,964	1,900
Insurance	250	1,339
Improvements and repairs	6,871	23,990
Vehicle right of access	100	100
Electricity	364	137
Legal fees	-	275
	10,227	28,388

3. BENEFITS

	2017 £	2016 £
Magnus Church of England School:		
General Grant	8,400	8,400
Grants to pupils		
11 x £250 (2016: 14 x £250)	2,750	3,500
Write back of cheques unpresented	(750)	(500)
Music Tuition Grant	24,533	19,628
Newark Team PCC - Choral scholarships	6,000	-
	40,933	31,028

4. MUSICAL EDUCATION

	2017 £	2016 £
Song School Master Grant	25,625	25,000
	25,625	25,000

5. RESTRICTED FUNDS – GRANTS PAYABLE

	2017 £	2016 £
Non-Education Accounts		
St Mary Magdalene Church		
Choristers and Low Boys (2/9)	8,309	28,537
Parish Clerk, Sexton and Vergers (2/9)	8,309	28,537
Repairs to Parish Church (2/9)	8,309	28,537
	24,927	85,611
Newark Hospital		
Newark Hospital (3/9)	12,464	42,805
	37,391	128,416
Old Magnusians Association Scholarship Fund		
Old Magnusians Association	-	-
	37,391	128,416

6. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Heritage Assets £	Total £
Valuation			
At 6 April 2016	550,000	-	550,000
Additions	-	-	-
At 5 April 2017	550,000	-	550,000
Depreciation			
At 6 April 2016	-	-	-
Charge for year	-	-	-
At 5 April 2017	-	-	-
Net book value			
At 5 April 2017	550,000	-	550,000
At 6 April 2016	550,000	-	550,000

The Charity owns freehold land and buildings occupied by the Magnus Church of England School which is considered to be a heritage asset and freehold land and buildings known as The Song School referred to in the Charity Scheme dated 26 June 1985 upon which a valuation of £550,000 has been placed. No reliable cost information is available.

7. FIXED ASSET INVESTMENTS

	Permanent endowment Note 15 £	Cash £	Property £	Total £
At 6 April 2016	842,152	24,723	4,473,203	5,340,078
Additions	209,111	-	-	209,111
Disposals	(197,130)	-	-	(197,130)
Revaluations	126,080	-	-	126,080
Cash movement	-	(10,388)	-	(10,388)
At 5 April 2017	980,213	14,335	4,473,203	5,467,751

Investment properties were valued on an open market value basis on 5 April 2017 by the trustees. Permanent endowment investments represent investments managed by Brewin Dolphin and are shown at 5 April 2017 market value.

The historic cost of the permanent endowment investments on 5 April 2017 was £806,004 (2016 - £783,358).

The historic cost of the investment properties on 5 April 2017 was £1,422,836 (2016 - £1,422,836).

8. CURRENT ASSET INVESTMENTS

	£	Estate Maintenance Note 16 £	Accumulation of Income Note 17 £	Total
At 6 April 2016		8,753	108,084	116,837
Additions		-	53,877	53,877
Disposals		-	(49,784)	(49,784)
Revaluations		985	8,075	9,060
At 5 April 2017		9,738	120,252	129,990

The historic cost of the Estate Maintenance investments on 5 April 2017 was £7,959 (2016 - £7,959).

The historic cost of the Accumulation of Income investments on 5 April 2017 was £97,555 (2016 - £56,883).

9. DEBTORS AND PREPAYMENTS

	2017	2016
	£	£
Due within year		
Rents held by agents in arrears	62,629	81,576
Prepayments	7,596	6,325
Trentside bond	5,375	5,375
Value added tax	2,505	-
	78,105	93,276

10. CASH AT BANK AND IN HAND

	2017	2016
	£	£
Bank deposit account	51,432	93,618
Bank current account	(9,012)	(1,162)
COIF charities deposit fund account	179,475	179,475
Accumulation of income capital account	1,381	1,481
Estate maintenance fund capital account	1,105	626
	224,381	274,038

11. CREDITORS, ACCRUALS AND DEFERRED INCOME: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Accruals for grants payable		
Non-Educational Account grants	37,391	65,731
Other creditors		
Water	339	652
Repairs	86	3,051
Insurance	(4)	(4)
Clerks fees	-	7,200
Legal fees	1,716	-
Rent deposits due to tenants	7,975	5,375
	10,112	16,274
Accrued expenses		
Investment management fees	2,132	2,270
Agents fees	-	253
Electricity	600	600
Accountancy and compliance etc	3,600	3,600
Independent examination	1,200	1,200
Bank charges	5	10
	7,537	7,933
Deferred income		
Rents in advance	28,380	33,513
Taxation		
Value added tax	-	3,511
	83,420	126,962

12. ANALYSIS OF CHARITABLE FUNDS

Fund name	Fund Balance Brought Forward £	Income £	Expenditure £	Transfers £	Realised gain £	Revaluation gains/(losses) for current year end £	Revaluation gains/(losses) to previous year end £	Fund Balance Carried Forward £
Endowment Funds								
Permanent	2,563,938	-	(8,125)	-	20,986	-	-	2,576,799
Securities	118,828	-	-	-	-	126,080	(10,665)	234,243
Investment properties revaluation	3,050,367	-	-	-	-	-	-	3,050,367
	5,733,133	-	(8,125)	-	20,986	126,080	(10,665)	5,861,409
Restricted Income Funds								
Non-Education account	-	-	(37,391)	37,391	-	-	-	-
Old Magnusians Association Scholarship Fund	758	-	-	-	-	-	-	758
	758	-	(37,391)	37,391	-	-	-	758
Unrestricted Income Funds								
General Account	-	181,591	(81,882)	(99,709)	-	-	-	-
Designated – Estate Maintenance Fund	19,428	-	(9,006)	-	-	985	-	11,407
Designated – Education Account	493,948	20	(76,785)	62,318	42,236	8,075	(36,579)	493,233
	513,376	181,611	(167,673)	(37,391)	42,236	9,060	(36,579)	504,640
	6,247,267	181,611	(213,189)	-	63,222	135,140	(47,244)	6,366,807

Permanent Endowment
The purpose of the Permanent Endowment is to generate income for the Charity. Investments representing the fund may be changed from time to time but cannot be distributed to beneficiaries.

Restricted Income Funds
Non-Educational Account - the transfer from general account is distributed in its entirety normally in November following the April year end. The full amount of £37,391 is expected to be distributed in November 2017 and is included within creditors (see note 11).

Old Magnusians Association Scholarship Fund - produces very little income and the Trustees wish to reserve the balance for future benefits.

Unrestricted Income Funds
General Account - the 'free funds' after allowing for all designated funds.

Designated - Estate Maintenance Fund - the Charity has an Estate Maintenance Fund for the purpose of providing the maintenance, repair and improvement of its property (excluding the Song School land and buildings).

Designated – Education Account - the purpose of the Education Account is to improve and maintain the Song School, support the Magnus Church School with special benefits not normally provided by the relevant education authority and support other specific educational projects.

Transfers out of the General Account comprise the following amounts:

	£
Transfer to Non-Education Account	37,391
Transfer to Education Account	62,318
	99,709

12. ANALYSIS OF CHARITABLE FUNDS - continued

As stated in the object of the Charity, net income on the General Account in the proportion three eighths is distributed to various charities. Accordingly, as shown on page 8 this represents three eighths of £99,709 giving rise to £37,391 which is to be transferred to the Restricted Income Fund - Non-Education Account for subsequent payment. The remaining balance is transferred to the Designated - Education Account within unrestricted funds.

13. RELATED PARTY TRANSACTIONS

R L Watkinson is a Trustee and a partner in Richard Watkinson & Partners, Surveyors, Valuers, Auctioneers and Estate Agents. This firm rents one car parking space from the Charity at a current commercial annual rent of £522 (2016 - £522) excluding Value Added Tax. The rent was reviewed by Brown & Co, the property agents acting for the Charity in 2006/07.

The Charity's governing document states that the Trustees may pay a Clerk to the Trustees a salary as may be approved by the Charity Commission. During the year, A J Fearn was paid the sum of £12,514 (2016 - £12,000). Of this sum £nil (2016 - £7,200) is included within creditors at 5 April 2017 (see note 11).

14. ACKNOWLEDGEMENT TO THE JOSEPH GILSTRAP SCHOLARSHIP

In 1998/99 the Trustees of the Joseph Gilstrap Scholarship Trust resolved under the Charities Act 1993 S.74 to transfer the property of that trust to the Magnus Educational Foundation and the donations from that Charity were recorded in the accounts of the Magnus Educational Foundation in the year to 5.4.99.

THE MAGNUS EDUCATIONAL FOUNDATION NOTES TO
THE ACCOUNTS - continued
FOR THE YEAR ENDED 5 APRIL 2017

15. INVESTMENTS - PERMANENT ENDOWMENT

Name	MV 5.4.16	Cost	Holding 5.4.17	Cost 2016/17	Holding bought	Sale 2016/17	Holding sold	M.V 5.4.17	Gain/ -loss 2016/17	Cost 5.4.17	Holding 5.4.17
1. Tesco Ord	15,012	8,639	8,000			15,012	8,000	-	-	-	-
2. HSBC Holdings Ord	4,175	8,066	1,000					6,546	2,371	8,066	1,000
3. BP Ord	12,654	19,546	3,750					17,445	4,791	19,546	3,750
5. Bny Mellon Fd Newton Gbl High Inc	46,214	31,790	35,000					55,423	9,209	31,790	35,000
6. Invesco Corp Bond FD Mngrs NAV	40,434	36,048	19,350					41,359	925	36,048	19,350
7. JPMorgan Asset Management	45,351	24,455	19,935					58,050	12,699	24,455	19,935
10. Sainsbury	13,358	13,762	4,800					12,302	(1,056)	13,762	4,800
11. Centrica	13,416	17,780	6,000			13,416	6,000	-	-	-	-
12. Standard Chartered	2,164	7,181	500					3,745	1,581	7,181	500
13. Royal Dutch Shell B Ord	24,825	13,965	1,500					33,030	8,205	13,965	1,500
16. Astrazeneca	9,878	6,706	250			9,878	250	-	-	-	-
17. Unilever PLC	31,890	27,626	1,000					39,395	7,505	27,626	1,000
18. Edinburgh Investment Trust	33,000	28,881	5,000			33,000	5,000	-	-	-	-
19. TR Property Investment Trust	35,184	24,342	12,000			18,765	6,400	17,679	1,260	11,360	5,600
20. Kames Capital PLC	40,348	39,715	127,000					42,380	2,032	39,715	127,000
21. Artemis Fund Managers	32,141	30,712	15,000					36,364	4,223	30,712	15,000
22. Liontrust Fund	22,698	21,751	20,000					25,957	3,259	21,751	20,000
24. Mercantile Investment Ordinary	23,030	20,993	1,400					25,704	2,674	20,993	1,400
25. Fidelity Investment Moneybuilder	48,090	50,670	5,000			48,090	5,000	-	-	-	-
26. Rio Tinto Ord	17,348	27,268	900					29,412	12,064	27,268	900
27. Aviva Investors UK	36,070	29,246	28,000					45,578	9,508	29,246	28,000
28. Capita Financial Trojan	34,944	32,686	20,000					38,142	3,198	32,686	20,000
29. M&G Investment Man Global	32,728	34,514	20,000			32,728	20,000	-	-	-	-
30. Artemis FD Mngrs Global	36,011	34,045	45,000					45,572	9,561	34,045	45,000
31. Ishares GBP	26,241	26,292	250			26,241	250	-	-	0	-
32. First State Inv	22,415	20,626	14,000					28,218	5,803	20,625	14,000
33. Blackrock FM Ltd	18,634	18,150	14,000					21,161	2,527	18,150	14,000
34. Baillie Gifford Japanese	17,172	18,532	2,000					25,540	8,368	18,532	2,000
35. Schroder Oriental	27,525	28,776	15,000					36,675	9,150	28,776	15,000
36. Aviva Investors FU Multi-Strategy Target	49,794	50,979	49,700					48,125	(1,669)	50,979	49,700
37. Twentyfour AM Corporate Bond	29,408	29,616	305	10,322	100			40,998	1,268	39,938	405
38. GCP Infrastructure				27,931	22,600			29,538	1,607	27,931	22,600
39. FIL Inv svcs UK Fid MB Income Gross				46,823	38,300			47,760	937	46,823	38,300
40. Royal London asset sterling				35,285	37,000			38,502	3,217	35,285	37,000
41. Pimco Global Advis				35,824	3,250			35,523	(301)	35,824	3,250
42. Standard Life invs				16,378	28,000			16,024	(354)	16,378	28,000
43. CF Milton UK Multi cap				36,548	20,000			38,066	1,518	36,548	20,000
	842,152	783,358		209,111		197,130		980,213	126,080	806,004	

16. INVESTMENTS - ESTATE MAINTENANCE

Name	MV 5.4.16	Cost 5.4.16	Holding 5.4.16	Equalisat'n 2016/17	Cost 2016/17	Holding bought	Sale 2016/17	Holding sold	M.V 5.4.17	Gain/ (loss) 2016/17	Cost 5.4.17	Holding 5.4.17
1. Dixon Retail Ord	3,248	2,891	775						2,403	(845)	2,891	775
2. Schroeder Oriental	5,505	5,068	3,000						7,335	1,830	5,068	3,000
TOTAL	8,753	7,959		-	-				9,738	985	7,959	

17. INVESTMENTS - ACCUMULATION OF INCOME

Name	MV 5.4.16	Cost 5.4.16	Holding 5.4.16	Equalisat'n 2016/17	Cost 2016/17	Holding bought	Sale 2016/17	Holding sold	M.V 5.4.17	Gain/ (loss) 2016/17	Cost 5.4.17	Holding 5.4.17
1. M&G Charifund	62,629	8,051	4,500				34,794	2,500	31,448	3,613	3,578	2,000
2. BHP Billiton	6,611	16,952	900						11,498	4,887	16,952	900
4. Jupiter UT Managers India Fund	14,990	8,732	15,857				14,990	15,857	-	-	-	-
5. Carillion ORD	15,835	15,152	5,500						11,957	(3,878)	15,152	5,500
6. M&G Investment Man	4,829	4,922	5,000						5,061	232	4,922	5,000
7. Henderson	3,190	3,074	2,000						3,256	66	3,074	2,000
8. Henderson					34,680	61,000			35,484	804	34,680	61,000
9. JPMorgan					19,197	17,000			21,548	2,351	19,197	17,000
TOTAL	108,084	56,883		-	53,877		49,784		120,252	8,075	97,555	

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MAGNUS EDUCATIONAL FOUNDATION

I report on the accounts of the charity for the year ended 5 April 2017, which are set out on pages 6 to 20.

Respective responsibilities of Trustees and Examiner
The charity's trustees are responsible for the preparation of the accounts. The charity's 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.

It is my responsibility to:
- examine the accounts (under section 145 of the 2011 Act);
- 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 2011 Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act 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.

Signature .....

Tom Hudson
Stephenson Nuttall & Co
Chartered Accountants
6/8 Castle Gate
Newark
Nottinghamshire
NG24 1AX

Date .....