

Financial Statements

for the year ended 30th September 2017

GOVERNORS (are appointed by resolution of the remaining Trustees for a term of 4 years)

FIRST APPOINTED

+	◆	Mr R Lovell Esq	(Chair)	17.06.99
		Dame Sylvia Morris DBE	(Vice Chair)	17.03.11
		R Edwards Esq	(resigned 15th June 2017)	19.06.97
		J D Spencer Esq	(resigned 14th December 2017)	24.09.03
+	Mr	R V Ashdown Esq		22.09.05
		A Leiffheidt Esq		11.12.08
+		M Ibbott Esq		11.03.09
+		Mrs J Goodland		13.12.13
		Mrs C Harman Clark		13.12.13
+		Mr P MacFarlane Esq		26.09.14
		Canon M Rawson		10.03.16
+		Mrs Neha Jain		09.03.17
		Mrs Galiema Amien-Cloete		28.09.17
		Mr Amir Eden Esq.		28.09.17
		Ms Christine Wood		13.11.17
+		Mr Tim McNally		14.12.17
+		Member of the Investment Committee		
Mr		Member of the Audit Committee		
◆		Member of the Governor Selection Committee		

OFFICERS

Ms C M de Cintra BA ACA

Clerk to the Governors

Ms A Lamont

Field Officer

PRINCIPAL OFFICE

Marshall House

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London SE1 1YT

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BANKERS

Unity Trust Bank plc

Nine Brindleyplace

Birmingham B1 2HB

CAF BANK

PO Box 289, West Malling,

Kent ME19 4TA

SOLICITORS

Cripps LLP

INDEPENDENT EXAMINER

haysmacintyre

10 Queen Street Place

London EC4R 1AG

INVESTMENT MANAGERS

Newton Investment Management Limited

71 Queen Victoria Street

London EC4V 4DR

Schroder & Co. Limited

100 Wood Street

London EC2V 7ER

M&G Investments

PO Box 9038

Chelmsford CM99 2XF

Newcomen Collett Foundation

Report of the Governors for 2017

1. OBJECTIVES AND ACTIVITIES

Purposes of the Foundation

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

The charitable purposes of the Newcomen Collett Foundation are:

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

Public Benefit

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

Activities

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

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

A) Investment Management

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

In 2017 the Investment Committee drafted a new Investment Policy for the Foundation. The aim is to balance the needs of current and future beneficiaries. The specific financial objectives of the Foundation are:

- To dispose of retail investment property, manage the subsequent loss of income through cashing in accumulation units to maintain gross cash of £140k per annum.
- To grow the real value of the assets in order to meet the unfulfilled demand for grants through the use of accumulation funds.
- To contain operating costs.
- To operate at an acceptable level of risk.

The Policy was adopted in June 2017.

➤ Property

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

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

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

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

Newcomen Collett Foundation

Report of the Governors for 2017

➤ Securities

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

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

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

B) Grant-Making

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

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

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

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

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

➤ School Uniform Grants

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

➤ Grants to Individuals

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

➤ Grants to Organisations

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

Newcomen Collett Foundation

Report of the Governors for 2017

2. ACHIEVEMENTS AND PERFORMANCE

Achievements

The year ended 30 September 2017 was a busy and successful year for the Foundation. The Governors are pleased that the capital value of the investment assets has increased over the year and that income returns have been in line with budget. This has enabled the Foundation to award grants of over £90k to 106 individuals and organisations.

The various achievements are explored in more detail below.

A) Investment Management

➤ Property

Despite the economic climate over the year the capital values of the properties have been relatively stable, reducing by just over 1% over the year, and the level of income received for all properties was as expected.

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

➤ Securities

The equity portfolio has performed well over the year and the total dividend income received was in excess of budget.

Investment Managers provide regular reports on the performance of their funds, and the Governors review the performance of their investments on a regular basis. The Foundation compares performance to the individual fund's own benchmarks.

B) Grant-making

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

➤ School Uniform Grants

109 (2016 – 24) grants were awarded for the purchase of school uniforms during the year.

➤ Grants to Individuals

27 (2016 – 29) grants were awarded to individuals over the year and these were generally towards the living costs of those pursuing post-16 educational opportunities.

➤ Grants to Organisations

79 (2016 – 55) grants were awarded to organisations for a range of projects covering the arts, drama, sports, school trips and holiday clubs.

3. FINANCIAL REVIEW

Review of Finances

The Newcomen Collett Foundation reported a surplus of £22,656 on its activities during the year, excluding gains on investments. The Governors had agreed a break-even budget for the year and had set the amount available for grants at each board meeting accordingly. However property rentals and dividends were higher than expected and the demand for general grants was lower than expected.

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

Newcomen Collett Foundation

Report of the Governors for 2017

Reserves Policy

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

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

Free reserves exclude restricted funds and designated funds. They also exclude any unrestricted funds held in fixed assets. At 30 September 2017 the level of free reserves was £82,000.

Going Concern

Having reviewed the financial performance for the year, the budget for the year to 30 September 2018 and plans for future years, the Governors confirm that the financial statements for the year to 30 September 2017 can be prepared on the going concern basis.

Investment Policy

The Governors adopted an Investment Policy in June 2017. Currently the Governors do not wish to impose any specific ethical investment policy; however potential investments are assessed to ensure congruence with the aims and ethos of the Foundation.

Plans for the Future

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

Risk

The Risk Register is considered in detail at each Governors meeting and appropriate actions are being taken to mitigate any risks identified.

As at 30 September 2017 the two major risks facing the Foundation were:

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

4. STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Documents & Governors

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

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

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

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

Newcomen Collett Foundation

Report of the Governors for 2017

Governor Selection & Training

The Governor Selection Committee meets as necessary to consider new appointments of Governors. There are currently no vacancies for Governors on the Board.

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

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

Governance

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

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

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

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

Audit Committee

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

Management

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

Remuneration Committee

The pay arrangements of the staff are dealt with by the Remuneration Committee of Marshall's Charity. In view of the close working relationship between the charities, the Committee invites the Newcomen Collett Foundation to nominate a representative to join them for the Meetings, and the Chairman of the Foundation has attended in 2016 and 2017.

Newcomen Collett Foundation

Report of the Governors for 2017

Remuneration Policy

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

Statement of Governors' Responsibilities

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

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

In preparing these financial statements the Governors are required to:

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

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

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

Approved by the Governors on 8 March 2018 and signed on their behalf:

Robin Lovell

.....Chairman

Robert Ashdown

.....Governor

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

I report on the accounts of the charity for the year ended 30 September 2017 which are set out on pages 4 to 14.

Respective responsibilities of trustees and examiner

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

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

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities 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 material matters have come to my attention which gives me reasonable cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act;
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Halsey FCA DChA
haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Date: 8 March 2018

	Notes	Unrestricted Funds	Endowment Fund	Total 2017	Total 2016
		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Investment income					
Property rentals		161,301	-	161,301	153,237
Dividends & interest	4	27,261	-	27,261	26,892
Insurance commission		1,037	-	1,037	2,195
Grant from other charity		1,800	-	1,800	-
Total income		191,399	-	191,399	182,324
EXPENDITURE ON:					
Raising funds	14	43,034	-	43,034	73,048
Charitable activities	14	125,709	-	125,709	98,430
Total expenditure		168,743	-	168,743	171,478
Net income/(expenditure) before gains and losses on investment		22,656	-	22,656	10,846
Net recognised gains / (losses) on investment					
Property - realised		-	-	-	111,867
Property - unrealised		-	(21,375)	(21,375)	24,400
Securities - unrealised		-	35,588	35,588	106,704
Net income/(expenditure) after gains and losses on investment		22,656	14,213	36,869	253,817
Transfers between funds		-	-	-	-
Net movement in funds		22,656	14,213	36,869	253,817
<i>Reconciliation of funds:</i>					
Total funds brought forward		530,903	2,817,044	3,347,947	3,094,130
Total funds carried forward		553,559	2,831,257	3,384,816	3,347,947

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

The notes on pages 7 to 14 form part of these accounts.

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Investments - General Purposes					
Freeholds	2		1,952,125		1,973,500
Securities	3		1,350,511		796,523
			<u>3,302,636</u>		<u>2,770,023</u>
CURRENT ASSETS					
Debtors and prepayments	5	43,501		32,573	
Cash at bank and in hand		<u>103,424</u>		<u>707,542</u>	
		146,925		740,115	
Creditors: Amounts falling due within one year	6	<u>(64,745)</u>		<u>(162,191)</u>	
Net current assets			82,180		577,924
NET ASSETS					
			<u><u>3,384,816</u></u>		<u><u>3,347,947</u></u>
FUNDS					
Unrestricted Fund			553,559		530,903
Endowment Fund	7		2,831,257		2,817,044
TOTAL FUNDS					
			<u><u>3,384,816</u></u>		<u><u>3,347,947</u></u>

Approved by the Governors and authorised for issue on 8 March 2018 and signed on their behalf:

Robin Lovell Governor

Robert Ashdown Governor

The notes on pages 7 to 14 form part of these accounts.

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	16	(277,117)	(69,803)
Cash flows from investing activities:			
<i>Dividends, interest and rents from investments</i>		191,399	182,324
<i>Proceeds from the sale of property and equipment</i>			529,867
<i>Purchase of investments</i>		(518,400)	-
Net cash provided by (used in) investing activities		(327,001)	712,191
Change in cash and cash equivalents in the reporting period		(604,118)	642,388
Cash and cash equivalents at the beginning of the reporting period		707,542	65,154
Cash and cash equivalents at the end of the reporting period		103,424	707,542

1. Accounting Policies

- a The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011.
- b The Foundation constitutes a public benefit entity as defined by FRS102.
- c The governors considered that there are no material uncertainties about the Foundation's ability to continue as a going concern.
- d In preparing the accounts the governors have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required.
- e All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Rental income is credited when receivable. Security income is credited on an accruals basis.
- f Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Repairs and renewals to property are charged to the Statement of Financial Activities when incurred. Grants are treated as expenditure when authorised by the governors and communicated to the beneficiaries, not when the grants are paid.
- g Staff pension contributions are made under defined contributions schemes, and the funds are held by fully independent insurance companies. No liability exists under the scheme except for the amount of the contributions charged in the year.
- h Irrecoverable VAT is charged against the expenditure heading for which it was incurred.
- i All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads have then been allocated between the categories on the basis of the total staff costs.
- j All securities (general purposes) are shown at mid-market value and properties are valued at open market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales' proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
- k The Foundation has a single permanent endowment. The governors have the powers to invest the capital in perpetuity and apply the income to the general purposes of the Foundation, namely to provide educational grants to young people in the London Borough of Southwark.

1. Accounting Policies (continued)

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

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

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

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

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

2 Freehold properties

	ENDOWMENT FUNDS	
	2017	2016
	£	£
<i>Opening balance at 1st October 2016</i>	1,973,500	2,367,100
<i>Disposals during the year</i>	-	(418,000)
<i>Revaluation of properties at year end</i>	(21,375)	24,400
<i>Closing balance at 30th September 2017</i>	1,952,125	1,973,500

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

3 Securities - UK Managed Funds

	ENDOWMENT FUNDS	
	2017	2016
	£	£
<i>Market value at 1st October 2016</i>	796,523	689,819
<i>Additions during the year</i>	518,400	-
<i>Net gain/(loss) on revaluations during year</i>	35,588	106,704
	1,350,511	796,523
<i>Market value at 30th September 2017</i>	1,350,511	796,523
<i>Historical cost at 30th September 2017</i>	1,075,130	526,730

At 30 September 2017, securities consisted of the following holdings:

	Market value
<i>Newton Global Growth & Income Fund units</i>	446,782
<i>Schroder Charity Multi-Asset Fund</i>	883,045
<i>Charibond Income Fund units</i>	20,684

4 Dividends and interest on securities
UK dividends and interest on securities
Other interest received

2017	2016
£	£
27,198	26,780
63	112
27,261	26,892

5 Debtors and prepayments
Rents due from tenants and agents

UNRESTRICTED FUNDS	
2017	2016
£	£
43,501	32,573

6 Creditors: amounts falling due within one year
Grants authorised but unpaid
Rent deposits
Value Added Tax
Other creditors

UNRESTRICTED FUNDS	
2017	2016
£	£
46,503	37,868
12,777	12,777
4,015	110,046
1,450	1,500
64,745	162,191

Rent deposits

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

7 Endowment Fund

	2017 £	2016 £
<i>Balance brought forward from previous year</i>	2,817,044	2,574,073
<i>Adjustment to market value of properties</i>	(21,375)	24,400
<i>Gain on disposal of property</i>	-	111,867
<i>Adjustment to market value of securities</i>	35,588	106,704
	2,831,257	2,817,044

8 Governors

- a) In 2017, £NIL (2016 - £NIL) was paid to Governors for travel expenses. No remuneration was paid to Governors by the Foundation, nor were any expenses re-imbursed to Governors by payment to a third party (2016 - £NIL).
- b) Governors were not involved in any transactions, except where the Foundation made grants to charities with which a Governor was involved but had no significant influence in that charity's management. In those cases, the Governor involved did not vote.

9 Independent Examiner fees

Fees paid to the Independent Examiner in the year totalled £1,365 (2016 - £1,300) and were all in respect of independent examination services.

10 Analysis of Net Assets between Funds

	2017		
	Investments Gen. Purposes	Net Current Assets/ (Liabilities)	Total
	£	£	£
Restricted Funds			
<i>Endowment Fund</i>	2,831,257	-	2,831,257
Unrestricted Funds			
<i>Unallocated Income</i>	471,379	82,180	553,559
	3,302,636	82,180	3,384,816

11 Analysis of staff costs and remuneration of key management personnel

	2017	2016
	£	£
<i>Salaries and assessable benefits</i>	12,050	11,701
<i>Social security costs</i>	540	407
<i>Other pension contributions</i>	1,950	1,905
	14,540	14,013

Average number of staff (including full-time and part-time staff)		
<i>Field Officer</i>	1	1
	1	1

In 2017, no employees received remuneration in the band £60,000 - £70,000 (2016- 0).

The average number of full time equivalent employees during the year was 1 (2016 - 1).

No Governor receives any remuneration from the Foundation, nor were any expenses re-imbursed to Governors by payment to a third party (2016 - £NIL). Governors were not involved in any other transaction with the Foundation or any related party (2016-£NIL).

12 Allocation of support costs

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

	Governance related	2017 Other support costs	TOTAL	Basis of Apportionment
	£	£	£	
Cost type				
<i>Staff costs</i>	2,191	27,009	29,200	<i>Staff time</i>
<i>Office costs & overheads</i>	1,352	38,260	39,612	<i>Staff time</i>
	3,543	65,269	68,812	

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

13 Allocation of support costs

	2017	2016
	£	£
<i>Investment Management</i>	33,185	30,068
<i>Grants</i>	35,627	34,102
	68,812	64,170

14 Expenditure

	Direct costs £	Allocated support costs £	2017 TOTAL £	2016 £
Cost of raising funds				
Investment Management	-	33,185	33,185	30,068
Property costs	9,849	-	9,849	42,980
	9,849	33,185	43,034	73,048
Charitable activities				
Grant costs available (see Note 15)	90,082	35,627	125,709	98,430
	99,931	68,812	168,743	171,478

15 Major grants during the year

Recipient	Amount £
Dog Kennel Hill Primary School	2,240
John Donne Primary School	2,000
CGP London	1,950
Goodrich Community School	1,950
St Mary Magdelene CE Primary School	1,820
Angel Oak Academy	1,680
Oliver Goldsmith Primary School	1,620
Heber Primary School	1,500
Friars Primary School	1,360
Brunswick Park Primary School	1,280
Rotherhithe Primary School	1,280
Boutcher Primary School	1,240
Hollydale Primary School	1,200
Magic Lantern	1,200
Bellenden Primary School	1,120
Camberwell Choir School	1,031
	24,471
Other grants to organisations & individuals - 90 (2016 - 74)	67,067
	91,538
Less: Cancellations during the year	(1,456)
Total net grants for the year	90,082

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

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	36,869	253,817
(Gains) on investments	(14,213)	(242,971)
Dividends, interest and rents from investments	(191,399)	(182,324)
(Increase)/decrease in debtors	(10,928)	752
(Decrease)/increase in creditors	(97,446)	100,923
Net cash used in operating activities	(277,117)	(69,803)