

Charity Registration No. 326840
Company Registration No. 01892360 (England and Wales)

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

THE GOSLING FOUNDATION LIMITED

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THE GOSLING FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Status	Registered in England and Wales
Charity Registration Number	326840
Registered Office	21 Bryanston Street Marble Arch London W1H 7PR
Company Registration Number	01892360
Trustees and directors	Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom (passed away in office 16 September 2019) Hon Capt Adam Gosling RNR Peter Caplan (appointed 5 December 2018) Nicholas Giles (appointed 19 September 2019)
Secretary	Anne Yusof
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Auditors	Lewis Golden LLP Chartered Accountants and Statutory Auditors 40 Queen Anne Street London W1G 9EL
Investment advisors	J. M. Finn 4 Coleman Street London EC2R 5TA

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors are pleased to present their report together with the audited financial statements of the charitable company ("the charity") for the year ended 31 March 2019, which also represents the trustees' report which is required to be prepared by Part 8 of the Charities Act 2011.

The directors of the charity are its trustees for the purpose of charity law, as set out on page 1, and throughout the financial statements are collectively referred to as the trustees.

The financial statements have been prepared in accordance with accounting policies set out on pages 13 to 16 and with applicable United Kingdom accounting standards, current statutory requirements, the Charities Act 2011, the Companies Act 2006 (Charitable Companies), 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) (as amended for accounting periods commencing from 1 January 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the charity's governing document. Legal and administrative information set out on page 1 forms part of this report.

Objectives and activities for the public benefit

The charity was incorporated on 5 March 1985 and the objectives, for which the charity was established, as dictated by the Memorandum of Association, are to carry out all or any of the following purposes, namely:

- the relief of poverty, suffering and distress among the aged, impotent or poor inhabitants of the United Kingdom and the provision of facilities for recreation and other leisure time occupation for them generally in the interests of their social welfare within the meaning of the, now repealed, Recreational Charities Act 1958 and as therein limited;
- the advancement of education amongst the inhabitants of the United Kingdom generally;
- the furtherance of such other charitable purposes beneficial to such of the communities of the United Kingdom as the charity may think fit; and
- to make grants to such associations, trusts, societies or corporations as are established for charitable purposes.

The trustees regularly review the grant making policies of the charity which currently are:

- the trustees will consider applications for grants which are in accordance with the stated objects of the charity;
- there are no minimum or maximum limits for any grants;
- all grants will be approved unanimously by the trustees; and
- the charity will continue to make grants to individuals only in exceptional circumstances.

The charity carries out its objectives by making grants to a wide range of charitable causes as quantified in note 4 to the financial statements. The charity aims to distribute grants to those charitable organisations that the board of trustees decide are in line with the objectives of the charity. By providing such financial support the charity seeks to enable other charitable organisations to achieve their objectives.

The trustees confirm that in accordance with Section 17 of the Charities Act 2011, they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning their future grant making activities.

During the year ended 31 March 2019, the trustees aimed to distribute approximately £2m (2018: £4m) in grants to a similar number of beneficiaries as in the prior year. The trustees had previously set a goal of grant making at a level of £5m. The charity revised their policy on grant giving to ensure an achievable goal is set where the charity will be able to provide grants in perpetuity. In order to achieve this, the trustees reviewed applications from various organisations and awarded grants as they collectively considered appropriate. The charity's revised goal is to provide £2m in grants a year. The charity met this goal with grant giving in the year being £2,100,552 (2018: £1,744,200).

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

The trustees paid and committed grants for the year totalling £2,100,552 (2018: £1,744,200). Of this amount £1,915,552 (2018: £964,200) has been paid during the year and commitments of £185,000 (2018: £780,000) were made for payment in future years. The charitable purposes and details of the various institutions that benefited are detailed in note 4 to the financial statements.

The following table puts the charity's grants for the year into broad categories and shows the prior year for comparison. Full details of the grant recipients are set out in note 4 to the financial statements.

Category	2019 Amount £	2019 Number of grants	2018 Amount £	2018 Number of grants
Relief of poverty	295,500	12	327,000	13
Advancement of religion	-	-	920,000	17
Advancement of education	574,000	20	42,500	5
Other purposes beneficial to the community	1,231,052	70	454,700	71
Total	2,100,552	102	1,744,200	106

During the year 102 grants (2018: 106) were made in furtherance of the charity's objectives to 87 beneficiaries (2018: 96).

The value of the charity's investment properties has decreased by £27,770,500 (2018: £1,173,563). During the year the charity disposed of the Tuscan portfolio of properties, realising a net loss of £4,706,954. The trustees took the decision based on current market factors to sell their investment property portfolio in the year and seek alternative investment opportunities. The loss is considered by the trustees to be due to market factors affecting commercial properties, high streets and the uncertainty surrounding BREXIT. At 31 March 2019 investment properties were valued at £53,085,000 (2018: £80,855,500). The trustees consider the prior year valuations to still be an accurate fair value for the remaining properties as at 31 March 2019, based on market factors, location of the properties and length of the leases with the tenants.

At the year end the value of the listed investment portfolio was £45,897,353 (2018: £14,792,079). In accordance with their accounting policy, the trustees have recognised listed investments in the financial statements at fair value. The trustees reinvested the funds from the disposal of the Tuscan portfolio into a new investment portfolio held with an investment manager. The charity invested £25,000,000 into this new investment portfolio. Further additions were made to listed investment portfolios using cash deposits and proceeds from disposals of investment properties, with total additions in the year being £40,358,909 (2018: £65,845).

The charity held treasury cash deposits, classified as investments, of £1,607,593 (2018: £6,678,793). The fall in value is due to the funds being reinvested in the year into listed investments.

Overall investment income decreased by £382,855 (2018: £168,115). The charity received total rental income from its portfolio of investment properties of £3,990,848 (2018: £4,390,622). This income has fallen due to the sale of the Tuscan portfolio part way through the year. The charity also received income from listed investments of £769,752 (2018: £782,241) and interest of £74,792 (2018: £34,906) relating mostly to cash held on deposit and short term treasury deposits.

No donations or legacies (2018: £nil) were received during the year.

Costs of raising funds, comprising property management expenses, totalled £12,382 (2018: £68,017) detailed in note 3 to the financial statements. The fall in property management expenses is due to prior year legal and professional services relating to the sale Tuscan portfolio being recognised as management expenses. In the current year, legal and professional fees relating to the sale of the investment properties has been included as part of the loss on sale. Governance costs are included in charitable activities and amounted to £98,419 (2018: £74,221).

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The trustees have concluded that all of the charity's current funds should be undesignated. The trustees anticipate that the current funds will be sufficient to meet its current and foreseeable obligations.

The trustees meet regularly to ensure that sufficient funds are held by the charity and to review the progress made by the recipients of previous donations and grants. At these meetings, the trustees also consider whether the investment of the charity's funds is appropriate and generates a satisfactory return. The trustees consider written applications which are consistent with the charity's objects as stated as above.

The trustees' long-term aim is to maintain total funds of the charity in the region of £120m which will generate investment income to fund future grant giving at a level of approximately £2m (2018: £5m) per annum in perpetuity. In order to reach this target, and in order to comply with the 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) (as amended for periods commencing 1 January 2016), the charity's financial statements show an Unrestricted Income Fund surplus. The charity is making progress towards this aim having total investment income for the year of £4,835,392 (2018: £5,218,247). The trustees consider the risks associated with the assets in which funds are held and aim to maintain an appropriate mix of assets in order to realise the long-term aim. The charity had a net deficit for the year of £938,362 (2018: net surplus £3,778,970) after net gains / (losses). The deficit in the current year is in large part due to the loss on the sale of the Tuscan portfolio. The net loss for the year from the sale of the Tuscan portfolio is an overall loss of £4,706,954. The loss is considered due to market factors and the uncertainty surrounding BREXIT. The trustees expect the level of funds to increase going forward in order to reach their aim of £120m.

Under the Memorandum and Articles of Association, the charity has the power to invest any monies of the charity upon such investments and in such manner as may from time to time be expedient. To see how expenditure meets objectives, please see achievements and performance.

Plans for future periods

The trustees aim to continue to accept, in writing to the registered office, grant applications which are consistent with the charity's objectives and to review the level of grants it considers appropriate to make.

The trustees long-term aim is to distribute a minimum of £2,000,000 during the year ending 31 March 2020 and to review the progress made by the recipients of previous donations and grants as to how the charity's grants have been applied or regarding projects that the charity's funding has made possible. The charity is in the process of seeking projects in which they can provide grants to meet their goal.

The trustees are confident that sufficient income will be received to enable the charity to meet its objectives.

Structure, governance and management

The Gosling Foundation Limited is a company limited by shares and a registered charity governed by its Memorandum and Articles of Association dated 5 March 1985.

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. Subject to Article 31 a trustee may be appointed under the Memorandum and Articles of Association to hold office for life or any other period or upon such terms in respect of their retirement as the trustees shall at the time of their appointment determine. Any person may be appointed or elected as a trustee, whatever may be their age, in line with applicable law. No trustee shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management (continued)

The trustees have considered the recruitment, appointment and training of new trustees. They agreed that any new trustee would have to be reputable, professional and be selected based on their suitability for the role. Training in financial accounting should be a requirement, although this would be dependent on the experience and knowledge of the trustee. Training in the role and responsibilities of a charity trustee would be mainly in the form of publications available from the Charity Commission. Any queries would be addressed to relevant professional advisors as required. As part of the induction process, new trustees are familiarised with the charity's governing document. Ms A Yusof is responsible for obtaining relevant training materials.

The number of members of the charity is limited to 50. Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom, passed away in office and was resigned on 16 September 2019. Nick Giles was appointed on 19 September 2019. The charity has three trustees, as required by the charity's Memorandum and Articles of Association.

During the year the trustees met quarterly to administer the charity.

Principal risks and uncertainties

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and a system has been established to mitigate those risks. The principal risk and uncertainty for the charity relates to income generation in order to be able to award grants and cover other costs. The charity holds a mixed portfolio of investments and the trustees have established a system to review major risks and to mitigate those risks by regularly reviewing the portfolio. The exposure of the charity to price risk, credit risk, liquidity risk and cash flow risk from holding its investments is therefore considered limited.

Reference and administrative information

The reference and administrative information set out on page 1 of forms part of this report.

The trustees who served during the year are shown on page 1 of this report.

Statement of trustees' responsibilities

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue to operate.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the 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 charitable company's auditors are aware of that information.

The trustees authorise the Directors' Report.

By order of the trustees



Hon Capt Adam Gosling RNR
Trustee

Date: 19 December 2019

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED

Opinion

We have audited the financial statements of The Gosling Foundation Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Statement of Cash Flows and related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report, prepared for company law purposes, which includes the trustees' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Moss (Senior Statutory Auditor)
For and on behalf of Lewis Golden LLP, Statutory Auditor
40 Queen Anne Street
London W1G 9EL

Date:

19 December 2019

THE GOSLING FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Income Fund 2019 £	Expendable Endowment Fund 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:					
Investments	2	4,835,392	-	4,835,392	5,218,247
Total		4,835,392	-	4,835,392	5,218,247
Expenditure on:					
Raising funds					
Property management costs	3	(12,382)	-	(12,382)	(68,017)
Charitable activities					
Grant making	4	(2,100,552)	-	(2,100,552)	(1,744,200)
Governance costs	6	(98,419)	-	(98,419)	(74,221)
Total		(2,211,353)	-	(2,211,353)	(1,886,438)
Net (losses) / gains on investments					
Losses on investment properties	9	-	(4,706,954)	(4,706,954)	1,701,437
Gains/(losses) on listed investments	11	-	883,205	883,205	(906,081)
Unrealised gains / (losses) on foreign exchange on treasury cash deposits		-	261,348	261,348	(348,195)
Total net (losses) / gains on investments		-	(3,562,401)	(3,562,401)	447,161
Net movement in funds		2,624,039	(3,562,401)	(938,362)	3,778,970
Reconciliation of funds:					
Total funds brought forward	16	24,317,406	89,263,753	113,581,159	109,802,189
Total funds carried forward	16	26,941,445	85,701,352	112,642,797	113,581,159

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended are derived from continuing activities.

THE GOSLING FOUNDATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Investments					
Investment properties	9	53,085,000		80,855,500	
Listed investments	11	45,897,353		14,792,079	
Treasury cash deposits		1,607,593		6,678,793	
			100,589,946		102,326,372
Current assets					
Debtors	12	580,691		549,843	
Cash at bank and in hand		13,263,443		14,347,328	
		13,844,134		14,897,171	
Creditors: amounts falling due within one year	13	(1,581,283)		(2,457,384)	
Net current assets			12,262,851		12,439,787
Total assets less current liabilities			112,852,797		114,766,159
Creditors: amounts falling due after more than one year	14		(210,000)		(1,185,000)
Net assets			112,642,797		113,581,159
Represented by:-					
Called up share capital	15	3		3	
Unrestricted Income Fund	16	26,941,442		24,317,403	
			26,941,445		24,317,406
Unrealised Investment Gains	16	37,998,539		37,502,408	
Expendable Endowment Fund	16	47,702,813		51,761,345	
Total Expendable Endowment Fund			85,701,352		89,263,753
Total funds	17		112,642,797		113,581,159

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

As per s454 of the Companies Act 2006, the trustees can amend these financial statements if they subsequently prove to be defective on a voluntary basis.

The financial statements were approved and authorised for issue by the board of trustees on 19 December 2019



Hon Capt Adam Gosling RNR
Trustee

(Company Registration No. 01892360)
(Charity Registration No. 326840)

THE GOSLING FOUNDATION LIMITED

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Net movement in funds	(938,362)	3,778,970
Adjustments for:		
Unrealised losses / (gains) on investment properties	4,706,954	(1,701,437)
(Deduct) / add (gains) / losses on listed investments	(883,205)	906,081
Deduct interest income shown in investing activities below	(74,792)	(34,906)
Deduct dividend income shown in investing activities below	(769,752)	(782,241)
Deduct other investment income shown in investing activities below	(3,990,848)	(4,390,622)
Increase in debtors	(30,849)	(53,390)
Decrease in creditors	(1,851,100)	(745,953)
Cash used in operating activities	(3,831,954)	(3,023,498)
Cash flows from investing activities		
Interest income	74,792	34,906
Dividend income	769,752	782,241
Other investment income	3,990,848	4,390,622
Purchase of listed investments	(40,358,909)	(65,845)
Disposal proceeds of investment properties	23,063,546	2,875,000
Disposal proceeds of listed investments	10,136,840	5,927,567
Decrease / (increase) in treasury cash deposits	5,071,200	(5,470,094)
Cash provided by investing activities	2,748,069	8,474,397
Movement in cash and cash equivalents in the year	(1,083,885)	5,450,899
Cash and cash equivalents at the beginning of the year	14,347,328	8,896,429
Total cash and cash equivalents at the end of the year	13,263,443	14,347,328

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The charity is a public benefit entity.

The financial statements are prepared under the historical cost convention and in accordance with 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) (as amended for accounting periods commencing from 1 January 2016)) – (Charities SORP (FRS 102)), the Companies Act 2006, the Charities Act 2011 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1.2 Income

Income is recognised when the charity has entitlement to the funds, on the following basis:

(i) Donations and legacies

Donations, legacies and grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(ii) Investment properties

Income from investment properties comprises income derived from the leasing of commercial properties to tenants. The properties are leased to tenants under operating lease agreements and rentals are recognised in the statement of financial activities (including an income and expenditure account) on a straight line basis over the lease term.

Where rental income is structured to increase in line with expected general inflation, the rental agreements are amended on an annual basis and income is subsequently recognised in the statement of financial activities (including an income and expenditure account).

The charity has taken advantage of the optional exemption available on transition to FRS 102, which allows lease incentives on leases entered into before the date of transition to the standard on 1 April 2014, to continue to be charged over the period to the first market rent review, rather than the term of the lease.

Rental income is recognised on a straight line basis over the lease term, where leases were entered into after the FRS 102 transition date on 1 April 2014.

(iii) Listed investments

Dividends and commission are recognised when receivable and represent income received from listed securities.

(iv) Interest receivable

Interest is recognised when receivable by the charity and represents treasury, bank and investment interest.

(v) Other income

Other income is recognised when receivable by the charity and represents income from a lease premium extension.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

(i) *Raising funds*

This comprises property management costs which are recognised on an accruals basis. Any irrecoverable VAT is added to the related expense.

(ii) *Grant making*

Grants are accounted for in full in the period the grants are approved and the decision is notified to the recipient irrespective of the period covered by the grant. Grants awarded but not yet paid are recorded as grant commitments in the balance sheet. Any conditional grants are not provided for until the trustees are satisfied that the conditions or grant terms have been met. Grant commitment creditors are split between creditors amounts falling due within one year and creditors amounts falling due after one year according to when the grants will be paid (see note 5).

(iii) *Governance costs*

Governance costs include external audit and accountancy fees and are recognised on an accruals basis. Irrecoverable VAT is included in the cost of those items to which it relates.

1.4 Investment properties

Investment properties are initially recognised at cost, which includes the original purchase price and the costs directly attributable to bringing the asset into its working condition for its intended use.

Investment properties are included on the balance sheet at their fair value which is determined annually. No depreciation is provided. Realised gains and losses on the disposal of investments are calculated as the difference between the sale proceeds, after deducting selling costs, and the fair value. Unrealised gains and losses represent the movement between fair values. Realised and unrealised gains and losses are included on the face of the statement of financial activities (including an income and expenditure account).

1.5 Listed investments

Listed investments are stated in the financial statements at fair value. Realised gains and losses on the sale of investments are calculated as the difference between the sale proceeds and the original cost. Unrealised gains and losses represent the movement between fair values. Realised and unrealised gains and losses are included on the face of the statement of financial activities (including an income and expenditure account). Listed investments are held primarily to provide an investment return for the charity.

1.6 Cash at bank and in hand

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.7 Funds

The charity maintains an Unrestricted Income Fund and an Expendable Endowment Fund.

Income generated by the Expendable Endowment Fund is recognised as part of the Unrestricted Income Fund. Unrealised revaluation gains on investment properties and listed investments are taken to Unrealised Investment Gains, which for the purpose of charity fund accounting is part of the Expendable Endowment Fund. Revaluation losses are also taken to Unrealised Investment Gains to the extent that there is an Unrealised Investment Gains surplus in respect of the relevant asset.

The Expendable Endowment Fund was established from donations received for that purpose. This fund arises from the proceeds of a special dividend and the sale of the charity's previous holding in National Parking Corporation Limited. The primary intention in establishing an Expendable Endowment Fund is for funds to be invested so as to generate future income for the purpose of the charity. The trustees shall also be permitted to convert any or the entire Expendable Endowment Fund to the Unrestricted Income Fund, however in any decision whether or not to convert endowment monies into expendable income the trustees should have regard for the primary intention of this endowment. The trustees aim to increase the total funds of the charity to a level that will allow ongoing future annual donations of £2 million per annum.

Any funds receivable during the relevant accounting year but not utilised are carried forward as part of the Unrestricted Income Fund.

1.8 Leases

Finance leases, which transfer to the charity substantially all the risks and rewards of ownership of the leased asset are capitalised at the inception of the lease at the present value of minimum lease payments.

Rents receivable under operating leases are recognised in the statement of financial activities (including an income and expenditure account) on a straight line basis over the lease term.

1.9 Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities (including an income and expenditure account).

1.10 Financial Instruments

(i) Financial assets

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 present value of future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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 the statement of financial activities (including an income and expenditure account). If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities (including an income and expenditure account).

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.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.10 Financial Instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors 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 payments 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, this is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the charity's financial statements require trustees to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the reporting date. However uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Valuation of investment property

The fair value of investment property (note 9) is valued at the trustees' consideration that the values from the prior year are still considered fair value at year end. The investment properties are held at the valuations provided in previous years by professional external valuers using recognised valuation techniques. Determination of the fair value of the assets requires the use of estimates, taking into account future cash flows from the asset (such as lettings, future revenue streams and the overall repair and condition of the property). These estimates are based on local market conditions existing at the reporting date.

2 Investment income

	Unrestricted Income Fund £	Total Funds 2019 £	Unrestricted Income Fund £	Total Funds 2018 £
Rent receivable from UK investment properties	3,990,848	3,990,848	4,390,622	4,390,622
Bank interest receivable (UK)	74,792	74,792	34,906	34,906
Dividends from listed investments	769,752	769,752	782,241	782,241
Other income	-	-	10,478	10,478
	<u>4,835,392</u>	<u>4,835,392</u>	<u>5,218,247</u>	<u>5,218,247</u>

All income from investment properties is generated from operating leases.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

3 Raising funds

	Unrestricted Income Fund £	Total Funds 2019 £	Unrestricted Income Fund £	Total Funds 2018 £
Property insurance	4,841	4,841	10,226	10,226
Legal & professional fees in respect of investment properties	7,541	7,541	57,791	57,791
Property management costs	12,382	12,382	68,017	68,017

4 Grant making

The following table analyses the grants into broad categories and by year in which they fall due for payment.

	Paid 2019 £	Payable 2020-22 £	Total £
The relief of poverty			
British Forces Foundation (2 grants)	15,000	-	15,000
Grand Order of Water Rats	5,000	-	5,000
HMS Magpie Welfare Fund (Royal Navy survey vessel)	5,000	-	5,000
InterAct Reading Service	5,000	-	5,000
Portsmouth Family Welfare Association	20,000	-	20,000
Royal Variety Charity (formerly Entertainment Artists Benevolent Fund)	2,000	-	2,000
SSAFA	50,000	-	50,000
White Ensign Association (4 grants)	193,500	-	193,500
	295,500	-	295,500
The advancement of education			
Duke of Edinburgh's Award	100,000	-	100,000
Duke of Edinburgh's International Award (3 grants)	93,000	-	93,000
Gold Service Scholarship (2 grants)	20,000	20,000	40,000
Highfield School Centenary Bursaries Fund	20,000	-	20,000
Institute of Marine Engineering, Science and Technology (IMAREST)	10,000	-	10,000
Maritime Society & Sea Cadets	1,000	-	1,000
Maritime Foundation	10,000	-	10,000
Maritime Training Trust	5,000	-	5,000
Ocean Youth Trust North	5,000	-	5,000
Old Vic Theatre Trust (2 grants)	100,000	100,000	200,000
Outward Bound Trust	50,000	-	50,000
Purcell School (of Music)	5,000	-	5,000
Scar Free Foundation	10,000	-	10,000
Seafarers UK	10,000	-	10,000
TS Otter Tewkesbury Sea Cadets	10,000	-	10,000
Twickenham Sea Cadets	5,000	-	5,000
	454,000	120,000	574,000

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4 Grant making (continued)

	Paid 2019 £	Payable 2020-22 £	Total £
Other purposes beneficial to the community			
Andrew Simpson Sailing Foundation	10,000	-	10,000
Antibes Raft Race	4,487	-	4,487
Apuldram Centre	5,000	-	5,000
Battle of the Atlantic Memorial Project	-	15,000	15,000
Bembridge Sailing Club	5,000	-	5,000
Blind Veterans UK	75,000	-	75,000
Bud Flanagan Leukaemia Fund	1,000	-	1,000
Canine Partners for Independence	5,000	-	5,000
Carers Trust	5,000	-	5,000
Central Band Royal British Legion (2 grants)	9,000	-	9,000
Chiddingfold Bonfire Charities Association	5,000	-	5,000
Commonwealth Youth Orchestra & Choir	16,000	-	16,000
Culdrose Central Amenities Fund	1,000	-	1,000
Dan Maskell Tennis Trust, The	5,000	-	5,000
Dorothy House Hospice Care	1,000	-	1,000
FB Central Fund	1,000	-	1,000
Fleet Air Arm Officers Association	500	-	500
Great Ormond Street Hospital for Children	2,000	-	2,000
Greenwich Hospital (2 grants)	2,117	-	2,117
H M S Heron Central Fund (2 grants)	11,000	-	11,000
H M S Raleigh Central Fund (2 grants)	4,000	-	4,000
Hampton Wick & South Teddington Old People's Welfare Committee & Good Fellowship Club	1,000	-	1,000
Hampton Wick Association	1,000	-	1,000
Historic Royal Palaces	25,000	-	25,000
HMS Kent Central Fund	2,000	-	2,000
HMS Nelson LAF	4,000	-	4,000
Kennet & Avon Canal Trust Enterprise Ltd	5,000	-	5,000
Kingston Hospital NHS Foundation Trust (2 grants)	50,000	50,000	100,000
Landmark Arts Centre	5,000	-	5,000
MacMillan Cancer Support	2,000	-	2,000
Maggie's Cancer Caring Centres	1,000	-	1,000
MIND	20,000	-	20,000
MPS Society (2 grants)	22,500	-	22,500
Naval Services Leadership Conference CAF	2,000	-	2,000
Subtotal carried forward	308,604	65,000	373,604

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4 Grant making (continued)

	Paid 2019 £	Payable 2020-22 £	Total £
Other purposes beneficial to the community (continued)			
Subtotal brought forward	308,604	65,000	373,604
New English Ballet Theatre	10,000	-	10,000
Princes' Foundation	250,000	-	250,000
Princess Alice Hospice	10,000	-	10,000
Priscilla Bacon Norfolk Hospice	5,000	-	5,000
Queen Elizabeth Castle of Mey Trust	10,000	-	10,000
R N A S Culdrose Amenities Fund	10,000	-	10,000
R N A S Culdrose Central Fund	5,000	-	5,000
RMR Scotland (Belfast Detachment)	10,000	-	10,000
Royal Marines Association Concert Band	5,000	-	5,000
Royal Marines Charities	11,000	-	11,000
Royal Marsden Cancer Charity, The	1,500	-	1,500
Royal Navy Hockey Association	5,000	-	5,000
Royal Navy & Royal Marines Charity	300,000	-	300,000
Royal Yacht Britannia	10,000	-	10,000
The Saints and Sinners Trust Limited	35,000	-	35,000
Sea-Change Sailing Trust	10,000	-	10,000
Sheffield Sporting Chance	10,000	-	10,000
Shooting Star Chase (2 grants)	25,000	-	25,000
Special Boat Service Association / SBS Association	12,500	-	12,500
St John Association of Antigua and Barbuda / St John's Hospice (Antigua)	19,448	-	19,448
St John's Ambulance Gloucestershire	5,000	-	5,000
Teddington Cricket Club	10,000	-	10,000
Teddington Athletic FC	5,000	-	5,000
UK Sailing Association	3,000	-	3,000
University College London	5,000	-	5,000
Veterans' Outreach Support	5,000	-	5,000
Victoria Cross and George Association	30,000	-	30,000
Victoria Medical Foundation	10,000	-	10,000
Woodland Trust	30,000	-	30,000
	1,166,052	65,000	1,231,052
Total	1,915,552	185,000	2,100,552

In the current year and prior year, all grants have been made to institutions from the Unrestricted Income Fund.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

5 Analysis of accruals for grants payable

	Notes	2020 £	2021-22 £	Total £
Accruals for grants payable made in the year	4	185,000	-	185,000
Accruals for grants payable made in prior periods		975,000	210,000	1,185,000
	13, 14	1,160,000	210,000	1,370,000

6 Governance costs

	Unrestricted Income Fund £	Total Funds 2019 £	Unrestricted Income Fund £	Total Funds 2018 £
Accountancy and professional fees	73,865	73,865	54,994	54,994
Audit fees	20,210	20,210	17,250	17,250
Bank charges	4,344	4,344	1,977	1,977
	98,419	98,419	74,221	74,221

Included within the accountancy and professional fees are £73,865 (2018: £54,994) for the other professional services provided by the auditors.

7 Trustees' remuneration, trustees' benefits and staff costs

No trustees received any remuneration or had any expenses reimbursed for their services during the current or prior year.

8 Employees

There were no employees other than trustees in either the current or prior year.

9 Investment properties

	2019 £	2018 £
At 1 April 2018:		
Historical cost	57,576,455	60,176,455
Revaluation brought forward	23,279,045	21,852,608
Fair value	80,855,500	82,029,063
Less disposals at fair value	(23,063,546)	(2,875,000)
Realised (loss)/profit on disposal	(4,706,954)	275,000
	53,085,000	79,429,063
Unrealised gains on revaluation during the year	-	1,426,437
Fair value at 31 March 2019	53,085,000	80,855,500

The Tuscan property portfolio was disposed of during the year. The trustees consider the valuation of the remaining investment properties to be accurate and to reflect their fair value as at 31 March 2019 with no change in value from the prior year. Of the five properties held at year end: two were revalued on 31 March 2018 by Bidwells LLP; one was revalued on 31 March 2017 by BNP Paribas; and two were revalued on 31 March 2016 by BNP Paribas. Both valuers used are qualified and external property consultants. In the current year the properties have been valued by the trustees. All investment properties are in the UK. Included within the investment property fair value is £1,100,000 (2018: £1,100,000) in respect of assets held under finance lease.

Realised and unrealised gains and losses on revaluation of investment properties are allocated to the Expendable Endowment Fund in both the current and prior year.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

10 Future minimum lease receipts due under non-cancellable operating leases

The future minimum lease receipts are as follows:

	2019 £	2018 £
Due not later than one year	2,298,646	4,345,911
Later than one year and not later than five years	9,822,667	18,083,504
Later than five years	71,165,811	75,820,122
	<u>83,287,124</u>	<u>98,249,537</u>

11 Listed investments

	2019 £	2018 £
At 1 April 2018:		
Historical cost	568,717	6,344,367
Revaluation brought forward	14,223,362	15,215,515
	<u>14,792,079</u>	<u>21,559,882</u>
Fair value		
Add acquisitions at cost	40,358,909	65,845
Less disposal proceeds	(10,136,840)	(5,927,567)
Realised profit on disposal	387,074	908,786
	<u>45,401,222</u>	<u>16,606,946</u>
Unrealised gains/(losses) on revaluation	496,131	(1,814,867)
	<u>45,897,353</u>	<u>14,792,079</u>

Realised and unrealised gains and losses on listed investments are allocated to the Expendable Endowment Fund in both the current and prior year.

12 Debtors

	2019 £	2018 £
Other debtors	32,836	41,582
Prepayments and accrued income	547,855	508,261
	<u>580,691</u>	<u>549,843</u>

Financial assets that are debt instruments measured at amortised cost comprise other debtors and accrued income and amounted to £573,726 (2018: £498,105).

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

13 Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Accruals for grants payable	5	1,160,000	1,161,000
Other taxation and social security		67,182	66,869
Other accruals		57,037	51,916
Deferred income		289,483	1,177,599
Other creditors		7,581	-
		<u>1,581,283</u>	<u>2,457,384</u>

14 Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Accruals for grants payable	5	<u>210,000</u>	<u>1,185,000</u>

Financial liabilities measured at amortised cost comprise accruals for grants payable and accruals excluding the audit fee accrual and amounted to £1,414,218 (2018: £2,379,916).

15 Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
3 (2018: 3) Ordinary Shares of £1 each	<u>3</u>	<u>3</u>

16 Trust funds

	£
Expendable Endowment Fund (including the Unrealised Investment Gains):	
Balance as at 1 April 2018	89,263,753
Net movement in funds	(3,562,401)
Balance as at 31 March 2019	<u>85,701,352</u>
Unrestricted Income Fund (including share capital):	
Balance as at 1 April 2018	24,317,406
Net movement in funds	2,624,039
Balance as at 31 March 2019	<u>26,941,445</u>

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

17 Analysis of net assets between funds

	Share Capital £	Unrestricted Income Fund £	Expendable Endowment Fund £	Unrealised Investment Gains £	Total Funds £
Fund balances at 31 March 2019 are represented by:-					
Investments	3	14,888,591	47,702,813	37,998,539	100,589,946
Current assets	-	13,844,134	-	-	13,844,134
Liabilities	-	(1,791,283)	-	-	(1,791,283)
Total net assets	3	26,941,442	47,702,813	37,998,539	112,642,797

18 Control

In the current and prior year, there was no ultimate controlling party. All decisions are made by the trustees unanimously.

19 Related party transactions

During the prior year the charity incurred expenditure of £23,481 on behalf of The Hobson Charity Limited, a charity that was under common influence during the prior year. At the prior year balance sheet date the balance due from The Hobson Charity Limited was £8,409.

In addition, during the prior year the charity paid rental income to The Hobson Charity Limited in respect of The Hobson Charity Limited's interest in a commercial property portfolio totalling £1,920,522, of which £nil was due to The Hobson Charity Limited at the prior year end.

In the current year, The Hobson Charity Limited is not a related party, as the charities are no longer under common influence due to the two charities no longer sharing mutual trustees.

During the year the charity made a donation of £35,000 (2018: £35,000) to The Saints and Sinners Trust Limited, a charity under common influence. At the balance sheet date the balance due to The Saints and Sinners Trust Limited was £nil (2018: £nil).

During the year the charity made a donation of £193,500 (2018: £205,000) to White Ensign Association, a charity under common influence. At the balance sheet date the balance due to White Ensign Association was £nil (2018: £nil).