

**Richard Reeve's
Foundation**

Annual Report and Accounts

30 June 2008



Charity Registration Number
312504

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Reference and administrative information about the charity and its advisers

Governors	Mrs M Renshaw - Chair Cllr Ms A Brook S Dewing Esq Cllr Ms R Polling Mrs S Reed I L Rodgers Esq - Vice Chairman E P T Roney Esq Cllr Mrs E M Stanier P J Tickle Esq W P Wright Esq
Principal Officers	Ms L Hurley - Clerk to the Governors Ms C Moffat - Grants Officer
Principal office	2 Cloth Court London EC1A 7LS
Charity registration	312504
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Investment advisers	Barclays Wealth Level 15 1 Churchill Place London E14 5HP
Property Adviser	Mr W Killick BSc FRICS IRRV First Floor 45 Charles Street London W1J 5EH
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill West Malling Kent ME19 4JQ
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Governors' report 30 June 2008

The Governors present their annual report with the accounts of Richard Reeve's Foundation for the year ended 30 June 2008.

The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 18 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" (revised 2005).

Legal status

Richard Reeve's Foundation, in the Ecclesiastical Parish of St Sepulchre, in the City of London, was established under the will of Richard Reeve in 1702 and is regulated by a Principal Scheme dated 4 October 1991. Governors have reviewed this Scheme and have confirmed that it fully meets the needs of the Charity and its beneficiaries at this time.

Structure, Governance and Management

The Governing Body normally comprises thirteen persons:

One ex-officio Governor, being the Rector or his nominated deputy for the time being of St Sepulchre, with Christ Church, Greyfriars and St Leonard Foster Lane. (Rev Dr P Mullen, the current Rector, resigned in October 2005. The ex-officio position on the governing body will remain vacant, with the agreement of the Charity Commission, until the Rector resumes the position).

Nine nominated Governors:

Two by the Churchwardens of the Parish Church of St Sepulchre with Christ Church, Greyfriars and St Leonard Foster Lane

Mrs S Reed

W P Wright Esq

One by the Corporation of the City of London.

E P T Roney Esq

Two by the Council of the London Borough of Islington

Cllr Ms A Brook

Cllr Ms R Polling

Two by the Council of the London Borough of Camden

Dr C Mabey (Chairman and Governor until October 2007)

Two by the Almoners of Christ's Hospital

I L Rodgers Esq (Vice-Chairman)

Cllr Mrs E M Stanier

Three Co-opted Governors

S Dewing Esq

Mrs M Renshaw (Chair from October 2007)

PJ Tickle Esq

Structure, Governance and Management (continued)

There have been two vacancies for Camden Governors since October 2007. Direct recruitment of new Governors by the governing body is limited to vacancies occurring in the three co-opted Governor posts. There were no vacancies for co-opted Governors during the year. Nominated Governor appointments are the prerogative of the nominating body but, nevertheless, Governors do try to ensure that the appointing bodies are aware of the skills needs of the Board before a nomination for a vacancy needs to be made.

Once appointed, Governors receive an induction pack of key documentation and are required to confirm their eligibility to act as a Governor and to complete a Register of Interests document aimed at avoiding any conflicts of interest arising in the conduct of the Foundation's affairs. These declarations are reviewed annually or more often if necessary. Governors are also invited to attend the offices of the Foundation to be briefed by the Clerk and to meet the staff serving the Foundation.

Risk management

Governors have reviewed the major risks which the charity faces and believe that the levels of reserves, combined with a regular review of the controls over key financial systems, will provide sufficient resources to meet the Foundation's objectives in the event of adverse conditions. Governors have also examined other operational and business risks which the Foundation faces and confirm that systems have been established to mitigate the significant risks.

Objects and Activities

The object of the Foundation is to advance or assist in the education and care of beneficiaries either individually or collectively from within the area of benefit, which is the City of London and the London Boroughs of Camden and Islington.

In fulfilling its objective, the Foundation makes grants to people aged 25 or under (in certain circumstances this may be extended to 40) to help with the costs of their education. In all cases, statutory and College/University funding must have been taken up.

The Foundation works in close co-operation with Birkbeck College, City & Islington College, Guildhall School of Music and Drama, University of the Arts London, Westminster Kingsway College and Christ's Hospital. Those responsible for student welfare at these educational establishments help to identify students who may qualify for the Foundation's help and they also ensure that the student receives all statutory and other funding available to them.

The Foundation also works directly with individual students at other educational establishments, targeting the neediest, and with organisations and schools with specific educational projects that benefit a significant number of children.

Grant making policy

Applicants must be aged 25 or under (in exceptional cases this may be extended to 40) and either (i) they or their parent(s) must have lived or worked for the last 12 months, or for at least two of the last 10 years in the City of London or London Boroughs of Camden or Islington; or (ii) they must be students of educational institutions in the area of benefit and have been in attendance for at least twelve months.

The Foundation **will consider** making educational grants to individuals for:

- ◆ Books
- ◆ Travel
- ◆ Equipment
- ◆ Clothing/Uniforms
- ◆ Fees
- ◆ Vocational training
- ◆ School outings closely related to normal course and curriculum work
- ◆ Post graduate studies but only where these are an essential part of a qualification for work
- ◆ Field Trips where these are an essential part of a course.

The Foundation will also consider helping organisations with the cost of educational projects that benefit a substantial number of students who would have met the Foundation's criteria for individual help.

The Foundation **will not** consider grants for the following:

- ◆ Replacing statutory funding
- ◆ School outings where these are not considered part of normal course or curriculum work
- ◆ Furniture/household goods
- ◆ School meals
- ◆ Holidays
- ◆ Fees for Independent School education, except for attendance at Choir Schools or where social, medical or physical need suggests this is the best option, for example attendance at Christ's Hospital where the Foundation has a long history of support for such students
- ◆ Building works

Monitoring of individual grants takes many forms depending on the specific purpose for which the grant was given. Certain safeguards are built into the systems for payment of grants to ensure that the money given is used for the purpose intended and receipts may be required. Reports on progress may be required before any subsequent grant is considered. The colleges and universities are also helpful in providing supporting information.

Grant making policy (continued)

Organisations and schools are required to provide proper budget forecasts and copies of their latest accounts. Full reports on the schemes are required on completion, with outcomes, good or bad, identified. No further grants will be considered if an organisation fails to provide the information required by the Governors.

Achievements and Performance

The Governors are committed to the provision of support for individuals engaged in further, higher and vocational education and in training. During the year a total of 523 awards were made to individuals. This figure includes awards made directly by Governors as well as those made in collaboration with colleges and universities working in partnership with the Foundation. The Governors also support organisations working to assist young people to acquire education and skills and 10 awards were made. The charity School Home Support manages, on behalf of the Foundation, a budget for the families of school pupils in our area of benefit. A total of 418 awards were made by School Home Support, in most cases for school uniform.

During the course of the year the Foundation's website was launched. Its facilities include a background to the work of the Foundation, eligibility criteria, and downloadable application forms. Governors hope that the website will offer greater opportunity of access to the Foundation for individuals and organisations.

A review of grantmaking to organisations took place. A group of Governors met with the Foundation's Officers to devise new criteria, which is now available on the website and elsewhere and is being used from July 2008 to assess applications.

Grants awarded directly by the Governors to individuals

A total of 132 applications were received directly from individuals for consideration by the Governors. Of these, 73 were refused and 7 were withdrawn. 52 awards were made. 62% of the unsuccessful applications were due to the applicant being outside the area of benefit. The total amount awarded to individuals was £36,372. These awards were made to students studying across a range of disciplines.

For example, Amelie, aged 32, arrived in the UK in 2004 and is a single parent living on benefits. Following a spell in hospital in early 2007 she was inspired to return to college by the nursing care she received. She enrolled on an Access to Nursing Course. She passed her course with 66 credits and is now studying at City University for a Diploma in Adult Nursing. "My heartfelt and sincere thanks for the assistance that you gave me during my course – it helped towards much needed text books and travel expenses."

Cally, 19, is a single parent and in receipt of income support and EMA. She studied for her A Levels at a local college and achieved two grade Cs and a grade A and will be starting a degree in Landscape Architecture and Planning in October. "I can't express how valuable the grant was to me and my daughter. The Foundation has really helped me over the last two years. I am truly grateful."

Achievements and Performance (continued)

Grants awarded directly by the Governors to individuals (continued)

Melanie, 21, was studying at Queen Mary University of London. From a single parent family, she received the maximum student finance package and worked part time to supplement her income. A grant from the Foundation enabled her to reduce her working hours to concentrate on her final exams and dissertation. "I was awarded with a degree BSc Biomedical Science 2:1 which I was very pleased with. The award helped me in more ways than you can imagine."

Grants awarded to individuals in partnership with colleges and universities

The Foundation also makes grants to individuals in the form of a 'block grant' to a number of colleges and universities within the area of benefit. During the year these were Birkbeck College, City & Islington College, Guildhall School of Music and Drama, University of the Arts and Westminster Kingsway College. The Officers of the Foundation liaise with the student support staff in these educational establishments to identify students in need. A total of £165,493 was given in 466 awards.

Scholarships awarded

The Foundation has two scholarship programmes, one at LAMDA and the other at City University. During the year one award of £2,000 was made at LAMDA. At City University there were no new scholarships awarded but £4,000 was paid for four continuing students.

Awards made by School Home Support

The Foundation continued to develop its relationship with School Home Support (SHS), which made awards to the families of school pupils in the area of benefit, on behalf of the Foundation. SHS made 418 awards, totalling £58,190.

SHS has a dedicated member of staff who deals with these grants and who meets regularly with the Foundation's staff to monitor progress and assess outcomes. SHS receives a management fee from the Foundation for this service. SHS receives enquiries directly from families and also from referral agencies.

SHS and the Foundation jointly agreed that funding for the year would be prioritised for the benefit of families with children either starting school, or moving from primary to secondary school. So, for example, Family A have five children aged between 5 and 14. At the time of the application the youngest was in Reception due to start Class 1 in September and the 11 year old was about to move from primary to secondary school. They are on income support and have a low income. They were awarded a grant of £300 for school uniform. In common with many applicants, they were particularly concerned with the expenses of PE kit.

Despite prioritising those starting school and those moving from primary to secondary school, SHS is sometimes able to make exceptions. Family B came via a referral agency and is a single mother with a 14 year old son due to start Year 10. He needs a very high level of care as he has a mental age of 6 years and has dyslexia and dyspraxia. His mother cannot work because of this and her finances are tightly stretched to afford the school clothes and equipment he needs. A grant of £150 was agreed.

Achievements and Performance (continued)

Grants awarded to organisations

The Foundation gave a total of £47,763 to 10 organisations, as follows:

Camden Arts Centre

£2,500 for Pathfinder visual arts project

Central and Cecil Housing Trust

£5,000 for a personal development project at Albert Street Hostel

859 Centrepoint

£8,500 for learning team activities in Salter's City Foyer

City University

£5,000 for City Karting engineering project

Drake Music Project

£5,000 for education and outreach and an evaluation

The Film and Video Workshop

£4,000 for a special educational needs project

Groove Your Arts

£4,188 for street dance theatre

The Little Angel Theatre

£6,000 for Puppets for All project

UCanDoIT

£3,075 for computer training for disabled people

Until the Violence Stops

£4,500 for a domestic violence prevention project

Grant awarded to Christ's Hospital

The Foundation has a long history of support for Christ's Hospital School in Horsham. During the year it made a donation of £20,000 to the School, which was the first payment of a five year programme of donations as agreed by the Governors in December 2006. All further donations under this programme are at the Governors' discretion and are dependent on the financial position of the Foundation at the time.

Investment performance

Property

The Foundation owns four properties in W1, which are located in Beak Street, Upper James Street and Golden Square. The open market value of these properties was £10,315,000 at 30 June 2008. These properties are leased to a variety of clients on a full repair and maintenance basis.

Achievements and Performance (continued)

Investment performance (continued)

Property (continued)

40 Beak Street was built as a police section house and is currently used by the Metropolitan Police as a training and staff interview centre. The Foundation intends redeveloping the building following expiry of the lease in 2008 and, in order to facilitate this, has entered into an agreement with City and General Limited. During the year planning consent was granted for a new building of 2,275 sq metres, of which 716 sq metres is designated for residential use. Following negotiations, the Foundation and City and General Limited have agreed that the police can remain at 40 Beak Street until May 2009.

Also during the year the Head Lessee of 2/3 Golden Square, Halifax Life, sold the lease to P1 Golden Limited. As the same time, Halifax Life paid the Foundation the Premium and Additional Premium due by mutual agreement and arising out of the recent redevelopment of the building.

There were no significant issues relating to the properties at 1 Golden Square and 1/3 Upper James Street.

Finally, the Foundation received a Right to Light payment arising from the development of a property situated behind the Foundation's properties.

Governors are pleased to acknowledge once again the help and advice they have received on property matters from their property adviser Mr W Killick and their property solicitors at Farrer & Co.

Investment portfolio

The Foundation continued to have its investment portfolio managed by Barclays Wealth and at the year end had some £1,456,087 invested in a range of equity and fixed interest stocks.

Financial Review

The Foundation's results for the year are set out in the statement of financial activities on page 15.

Property rental income has decreased due to a refund of £181,078 made to Halifax Life Limited during the year. This refund was due under the terms of the lease with Halifax Life Limited for the period 23 February to 31 December 2007.

During this period, the rent due from Halifax Life Limited should have been 15% of net rents the company received from its tenants, subject to a minimum of £10,000. However, Halifax Life Limited continued to pay the rent due under the terms of the original lease being £190,000 per annum.

The overpayment by Halifax Life Limited was calculated to be £181,078. This was deducted from the lease premium paid by Halifax Life Limited to the Foundation in March 2008.

During the year, the Foundation received £60,000 in compensation from a property developer, following a 'Right to Light' claim at the Foundation's properties in Golden Square.

Financial Review (continued)

A full listing of grants awarded in the year is shown in note 4 of the accounts. The Foundation awarded grants totalling £333,818 (2007: £294,475) during the year.

It is the Governors' policy to keep expenses under regular review, and to spend the current income available for grants in accordance with the terms of the scheme.

Investment policy

The Foundation has been a grant-making body since 1702 and the Governors wish to maintain its long-term grant-making ability in real terms. The Investment Policy is therefore structured towards this aim. Governors acknowledge the substantial increase in the Foundation's investments over the years due to its property portfolio but they have, in more recent years, pursued a policy of diversification which they intend to continue.

To meet their objectives the Governors appoint a property advisor to assist them in the management of the property portfolio. The Governors also appoint and delegate management of the bulk of their non-property investment portfolio to an authorised investment manager. A small proportion of the investment portfolio is held in Common Investment Funds which are kept under review by the Foundation's Investment and Property Committee. Regular review of the performance of both the property advisor and investment manager is made by the Investment and Property Committee, subject to the approval of the Governors.

Where the Governors delegate their investment powers they require that the capital value and income of stock market investments are maintained in real terms and this will be measured on a three year timescale. In any one year the Governors would not like to see a pro-rata income variation of more than + or -10%, due to their grant-making obligations.

The Foundation does not have an ethical investment policy but Governors are mindful of the Foundation's origins in a Christian tradition, which will continue to influence decision-making. This Policy has been established under the powers given to the Governors by the Trustee Act 2000 and any investment manager appointed will be made aware of this fact and of their obligation to fulfil the Governors statutory duty of care.

The Foundation's Investment Policy is reviewed annually by the Governors.

Reserves policy

The object of the Foundation is to advance or assist in the education and care of beneficiaries within the area of benefit. To this end the Governors have decided that they will, at all times, seek to maintain an accumulated income reserve of not less than six months operating expenditure, including provision for grant-making.

Financial Review (continued)

Reserves policy (continued)

The Foundation's ability to operate and its grant-making capability are wholly dependent on income from properties and investments. Governors consider it prudent to hold this minimum level of reserves in the event that the Foundation's income from property rents and/or investments failed to be received in accordance with budgeted norms. On the basis of the figures from the SOFA in this report, this policy indicates reserves of at least £274,541 against a current free reserves figure of £228,721. Free reserves comprise the Foundation's unrestricted reserves, excluding tangible fixed assets and fixed asset investments, which are held for the ongoing benefit of the Foundation.

The Governors have agreed that the free reserves will be held on deposit or in other readily-realizable short term investments.

The Foundation's Reserves Policy is reviewed annually by the Governors.

Future Plans

The Foundation expects to receive additional income in 2008/2009 under the terms of the agreement with Halifax Life to redevelop 2/3 Golden Square. The Foundation also expects a further temporary increase in its Deposit Income following receipt of a lease premium arising from this redevelopment (see note 10).

In last year's Report and Accounts reference was made to a potential tax liability on the lease premium referred to above. The Governors are pleased to have received confirmation from HM Revenue & Customs that there is no tax liability. Following receipt of this confirmation Governors have decided to add part of the premium to the non-property investment portfolio and to retain the balance on deposit in order to be in a position to meet expenses in connection with the initial redevelopment plans for 40 Beak Street.

The Governors of the Foundation had been committed to the redevelopment of the building at 40 Beak Street during 2009, following expiry of the current lease. However, due to current economic conditions and a rise in building costs, Governors have been advised to delay redevelopment until conditions are more favourable. The Governors will continue to act upon the advice of the Foundation's property and other relevant advisers in this matter.

The Governors have agreed in principle that the charity should incorporate as a company limited by guarantee and they intend that this will take effect from July 2009. A review of governance will also be carried out within this timeframe.

Employees

The Foundation has two staff, Lynne Hurley, Clerk to the Governors and Cath Moffat, Grants Officer. The Governors would like to record their warm thanks to both of them. Their commitment and dedication to the work of the Foundation is greatly valued.

Governors' responsibilities statement

The Governors are required to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and its financial position at the end of the year. In preparing accounts giving a true and fair view, the Governors should follow best practice and:

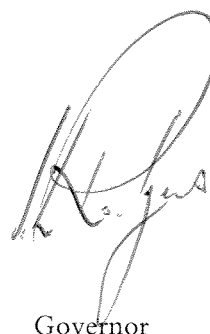
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the accounts comply with the Principal Scheme. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Governors:



Governor



Governor

Approved on: 11 March 2009

Report of the independent auditors to the Governors of Richard Reeve's Foundation

We have audited the accounts on pages 14 to 25 which have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and the inclusion of investments at market value and the accounting policies set out on pages 17 and 18.

This report is made solely to the Governors of the Foundation, as a body, in accordance with Section 43 of the Charities Act 1993 and with regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the Governors of the Foundation, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governors of the Foundation, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and independent auditors

As described on page 11 you are responsible as Governors for the preparation of the Governors' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with the regulations under Section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Governors' report is not consistent with the accounts, if the Foundation has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information in the Governors' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Independent auditors' report 30 June 2008

Opinion

In our opinion the accounts:

- ◆ give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the Foundation's state of affairs as at 30 June 2008 and of its incoming resources and application of resources in the year then ended;
- ◆ have been properly prepared in accordance with the Charities Act 1993.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

20 April 2009

Statement of financial activities Year to 30 June 2008

	Notes	Unrestricted funds £	Endowment funds £	Total 2008 funds £	Total 2007 funds £
Incoming resources					
Incoming resources from generated funds					
. Property rental income	1	170,051	—	170,051	366,125
. Investment income		66,885	—	66,885	54,601
. Bank deposit interest		105,346	—	105,346	49,710
. Other property income	2	—	60,000	60,000	339
. Other interest		3,763	7,900	11,663	—
Total incoming resources		346,045	67,900	413,945	470,775
Resources expended					
Cost of generating funds					
. Property management		12,560	53,184	65,744	9,405
. Investment management		322	6,710	7,032	7,703
		12,882	59,894	72,776	17,108
Net incoming resources available for charitable application		333,163	8,006	341,169	453,667
Charitable activities	3	457,996	—	457,996	428,132
Governance costs	5	18,310	—	18,310	13,530
Total resources expended		489,188	59,894	549,082	458,770
Net (outgoing) incoming resources for the year before revaluations and investment asset disposals					
Realised losses on investment assets		(143,143)	8,006	(135,137)	12,005
		—	(5,383)	(5,383)	(2,549)
Other recognised gains and losses					
Unrealised (losses)/ gains on the revaluation of investments	11	(17,407)	(266,431)	(283,838)	130,370
Revaluation of property	10	—	(1,173,465)	(1,173,465)	4,430,000
		(160,550)	(1,437,273)	(1,597,823)	4,569,826
Net movement in funds					
Balances brought forward at 1 July 2007					
		439,212	17,310,593	17,749,805	13,179,979
Balances carried forward at 30 June 2008					
		278,662	15,873,320	16,151,982	17,749,805

Statement of financial activities Year to 30 June 2008


Historical cost net movement in funds	2008 £	2007 £
Net movement in funds (page 15)	(1,597,823)	4,569,826
Unrealised losses /(gains) on investments	283,838	(130,370)
Investment management fee	1,375	1,468
Revaluation of freehold property	1,173,465	(4,430,000)
Difference between historical cost realised (gains) and the actual realised (gains) calculated on the revalued amounts	773	(17,148)
Historical cost net movement in funds	(138,372)	(6,224)


All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 30 June 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Tangible fixed assets	9		11,355		15,540
Fixed asset investments					
Investment properties	10		10,315,000		15,200,000
Investments	11		1,456,087		1,746,682
			11,782,442		16,962,222
Current assets					
Debtors	12	472,279		22,372	
Short term deposits		3,965,711		801,121	
Cash at bank		40		12,823	
		4,438,030		836,316	
Creditors: amounts falling due within one year	13	(68,490)		(48,733)	
Net current assets			4,369,540		787,583
Total net assets			16,151,982		17,749,805
Represented by:					
Funds and reserves					
Unrestricted					
. Accumulated income fund			278,662		439,212
Endowment fund	15		15,873,320		17,310,593
			16,151,982		17,749,805

Approved by the Governors
and signed on their behalf by:

Governor 

Governor 

Approved on: 11 March 2009

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of properties and investments and in accordance with the Charities Act 1993. Applicable accounting standards and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in these accounts.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Property income is accounted for on an accruals basis.

Interest received on government securities is accrued on a daily basis. Interest on loan stocks, dividends and distributions from unit trusts is credited to income on the dates on which the holdings are first quoted ex dividend. All other income is accounted for on an accruals basis.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of generating funds consist of the fees paid to investment managers in connection with the management of the charity’s listed investments, an estimate of investment manager’s fees for Common Investment Funds taken from capital and income, and the fees paid to property managers in connection with the management of the charity’s investment properties.
- b. Charitable activities comprise grants payable and support costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

Repayments of repayable grants are accounted for on a cash received basis.

Support costs represent indirect charitable expenditure in order to carry out the grant making activities of the charity. The costs do not directly relate to the amount of time spent on processing and monitoring grants and so have not been allocated across grants payable to organisations, students and individuals respectively.

Resources expended and the basis of apportioning costs (continued)

- c. Governance costs include expenditure on compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are stated at cost including any incidental expenses of acquisition. All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided on all tangible fixed assets, except investment properties, at rates calculated to write off cost on a straight line basis over their expected useful economic lives as follows:

Furniture, fixtures and equipment over 5 years

Investment properties

Freehold properties in the UK have been valued on an open market basis by the Governors' property adviser, W Killick FRICS as at 30 June 2008 and will continue to be professionally valued at least every five years.

Other investments

Other investments are included in the balance sheet at market value with realised and unrealised gains and losses being accounted for in the statement of financial activities.

Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

The accumulated income fund represent those monies which are freely available for application towards achieving any charitable purpose that falls within the Foundation's charitable objects.

Cash flow

The accounts do not include a cash flow statement because the Foundation, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Notes to the accounts 30 June 2008

1 Property rental income

	2008 £	2007 £
Rental income	351,129	366,125
Rent paid	(181,078)	—
	170,051	366,125

The rent paid consists of monies repaid to Halifax Life Limited, under the terms of the lease agreement on 2/3 Golden Square, for the period 23 February 2007 to 31 December 2007.

During this period, the rent due from Halifax Life Limited should have been 15% of net rents the company received from its tenants, subject to a minimum of £10,000. However, Halifax Life Limited continued to pay the rent due under the terms of the original lease, being £190,000 per annum.

The overpayment by Halifax Life Limited was calculated to be £181,078. This was deducted from the lease premium paid by Halifax Life Limited to the Foundation in March 2008.

2 Other property income

The Foundation received £60,000 in compensation from a property developer, in relation to a 'Right to Light' claim at the Foundation's properties in Golden Square.

3 Charitable activities

	2008 £	2007 £
Grant funding of activities (note 4)	333,818	294,475
Support costs		
Staff remuneration	63,838	73,067
Premises costs	16,333	24,043
Office expenses	16,098	17,869
Professional fees	27,909	18,678
	124,178	133,657
	457,996	428,132

4 Grant funding of activities

	2008 £	2007 £
Grants payable to organisations		
Alone in London	—	5,000
Camden Arts Centre	2,500	—
Camden Music Service	—	8,000
Central & Cecil Housing Trust	5,000	5,000
Centrepoint	8,500	7,300
Christ's Hospital	20,000	—
City University	5,000	—
Drake Music Project	5,000	—
Elfrida Rathbone Camden	—	3,500
Groove Your Arts	4,188	—
Hampstead Theatre	—	2,000
Hungerford Primary School	—	2,500
Islington Arts & Media School	—	2,000
Robert Blair Primary School	—	3,000
Roundabout	—	4,000
School Home Support	58,190	55,850
Skill Force Development	—	5,000
St Lukes Toy Library	—	4,000
The Film and Video Workshop	4,000	—
The Little Angel Theatre	6,000	—
UCanDolt	3,075	—
Until The Violence Stops	4,500	—
	125,953	107,150
Grants payable to individuals attending:		
Birkbeck College	28,073	29,554
City and Islington College	65,245	45,950
City University	4,000	4,000
Guildhall School of Music and Drama	6,900	5,000
University of the Arts	41,850	34,250
Wesminster Kingsway	23,425	31,765
Other schools and tuition	2,000	2,000
Grants payable to individuals		
For clothing and living costs	36,372	34,806
	207,865	187,325
Total grants payable	333,818	294,475
Number of grants to/for individuals	52	106

5 Governance costs

	2008 £	2007 £
Auditors' remuneration		
· Audit - Current year	7,050	5,564
- Prior year	6,774	2,643
· Other services	—	1,398
Staff remuneration	4,162	3,925
Legal fees	324	—
	18,310	13,530

6 Staff costs and governors' remuneration

	2008 £	2007 £
Staff costs during the year were as follows:		
Wages and salaries	55,431	64,945
Social security costs	5,744	6,329
Pension costs	6,825	5,718
	68,000	76,992

No governor has received any remuneration (directly or indirectly) from the Foundation. No expenses were reimbursed to the governors for travel expenses during the year (2007 – one governor was reimbursed £ 110).

The Foundation had two employees in the year (2007 – two). No employee earned £60,000 per annum or more during the year.

7 Taxation

Reeve's Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Auditors' remuneration

	2008 £	2007 £
Audit - Current year	7,050	5,564
- Prior year	6,774	2,643
Accountancy services	10,311	—
Taxation services	5,640	1,398
Payroll services	353	—

Notes to the accounts 30 June 2008

9 Tangible fixed assets

	Furniture and equipment	Total £
Cost		
At 1 July 2007 and 30 June 2008	20,923	20,923
Depreciation and impairment losses		
At 1 July 2007	5,383	5,383
Charge for the year	4,185	4,185
At 30 June 2008	9,568	9,568
Net book values		
At 30 June 2008	11,355	11,355
At 30 June 2007	15,540	15,540

10 Investment properties

	2008 £	2007 £
At valuation		
At 1 July 2007	15,200,000	10,770,000
Disposal	(3,711,535)	—
Revaluation during year	(1,173,465)	4,430,000
At 30 June 2008	10,315,000	15,200,000

The disposal relates to the receipt of a lease premium arising from the redevelopment of 2/3 Golden Square. The net proceeds from the lease premium of 2/3 Golden Square were £3,538,356, due to the deduction of rent refundable to Halifax Life Limited. Further details of this deduction are given in note 1.

The freehold properties were valued on an open market basis by the Governors' property adviser W Killick FRICS, at £10.315m as at 30 June 2008.

The Foundation's properties were purchased in Golden Square in 1708. The historical cost of the properties shown in the accounts is not known but would be minimal in today's money.

11 Fixed asset investments

	Endowment fund £	Unrestricted fund £	Total 2008 £	Total 2007 £
Market value at 1 July 2007	1,341,235	116,315	1,457,550	1,058,141
Additions	144,744	—	144,744	334,054
Disposals	(45,176)	—	(45,176)	(63,547)
Investment manager's fee	(1,053)	(322)	(1,375)	(1,468)
Unrealised (losses)/gains	(266,431)	(17,407)	(283,838)	130,370
Market value at 30 June 2008	1,173,319	98,586	1,271,905	1,457,550
Cash held by investment manager for reinvestment	184,182	—	184,182	289,132
	1,357,501	98,586	1,456,087	1,746,682
Historical cost of listed investments at 30 June 2008	1,119,647	103,600	1,223,247	1,122,906
Movements in unrealised gains on investments				
At 1 July 2007	321,929	12,715	334,644	222,890
In respect of disposals in year	(773)	—	(773)	(17,148)
Investment manager's fee	(1,053)	(322)	(1,375)	(1,468)
	320,103	12,393	332,496	204,274
Net (losses)/ gains arising on revaluations during the year	(266,431)	(17,407)	(283,838)	130,370
Unrealised gains (losses) at 30 June 2008	53,672	(5,014)	48,658	334,644
Listed investments comprise:				
UK Fixed Interest			142,671	141,704
UK Equities			853,433	993,637
Overseas Equities			177,215	205,894
Unit Trusts			98,586	116,315
			1,271,905	1,457,550

The following investments were individually more than 5% of the foundation's portfolio:

Units		£	%
14,562	M & G Charifund units	175,612	13.81
9,717	COIF Investment fund shares	98,586	7.75

Notes to the accounts 30 June 2008

12 Debtors

	2008 £	2007 £
Lease premium receivable	400,000	—
Interest and investment income	63,355	19,627
VAT recoverable	—	173
Other debtors	8,924	2,572
	472,279	22,372

The lease premium of £400,000 was paid to the Foundation in September 2008.

13 Creditors

	2008 £	2007 £
Bank overdraft	2,940	28,091
Grants payable	300	8,086
Other creditors	27,795	1,688
Accruals and deferred income	37,455	10,868
	68,490	48,733

14 Grants commitments

Grants commitments, not provided in these accounts, for payment in future years, amount to £7,500 (2007 - £11,000). These commitments are dependent on attendance and performance at university by the individual recipients.

The Foundation has agreed in principal to make an annual donation to Christ's Hospital School, Horsham, of £20,000 for the next five years with the first payment in the current year. Payment of the annual donation is at the discretion of the Governors' and is dependent on the Foundation's financial position at the time.

15 Analysis of net assets between funds

	Unrestricted Accumulated income fund £	Restricted Endowment fund £	Total 2008 £	Total 2007 £
Fund balances at 30 June 2008 are represented by:				
Tangible fixed assets	11,355	—	11,355	15,540
Investment property	—	10,315,000	10,315,000	15,200,000
Investments	98,586	1,357,501	1,456,087	1,746,682
Deposits	345,970	3,619,741	3,965,711	801,121
Other net current assets	(177,249)	581,078	403,829	(13,538)
	<u>278,662</u>	<u>15,873,320</u>	<u>16,151,982</u>	<u>17,749,805</u>

Restricted funds

The historical value of the original endowment is not known, but would be minimal in today's money.

These are capital assets and are not available for distribution.

16 Lease commitments

As at 30 June 2008, the charity had an annual commitment of £19,505 under a property lease which expires after five years.