



Enabling
young
people to
progress

Annual Report and Financial Statements

30 June 2015

Charity Registration Number 1136337

Company Limited by Guarantee
Registration number 7226633 (England and Wales)

Contents

Reports

Reference and administrative information about the charity and its advisers	1
Governors' annual report	3
Independent auditor's report	13

Financial statements

Statement of financial activities	15
Balance sheet	17
Principal accounting policies	18
Notes to the financial statements	20

Reference and administrative information about the charity and its advisers

Registered Company Number: 7226633

Registered Charity No: 1136337

Board of Governors:

Ex-officio (1): Reverend David Ingall (Rector of St Sepulchre-without-Newgate in the City of London) (Vice Chair from 1 April 2015)

Nominated by the Churchwardens of the Ecclesiastical Parish of St Sepulchre-without-Newgate (2):
(Term 4 years) Mrs Mavis Hughesdon
Mr Nigel Thomson

Nominated by the Council of Almoners of Christ's Hospital (2):
(Term 4 years) Mrs Shannon Farrington
Mr Gerald Rothwell

Nominated by the Corporation of the City of London (1): (Term 4 years) Mr Billy Dove (Vice Chair to 1 April 2015)

Nominated by the Council of the London Borough of Camden (1):
(Term 4 years) Mr Mark Jessett (to 12 January 2015)
Ms Lorna Russell (from 12 January 2015)

Nominated by the Council of the London Borough of Islington (1):
(Term 4 years) Ms Charlynn Pullen

Co-opted: (5) (Term 5 years) Mr Michael Bennett (Chairman from 10 December 2014)
Mrs Sarah Betteley (Chairman to 10 December 2014) (Resigned 3 September 2015)
Mr John Tickle
Mr Mark Jessett (From 12 January 2015)
Mr Sylvan Dewing

Clerk and Company Secretary: Mrs Shirley Scott (Retired 31 December 2015)
Mr Andrew Fuller (Appointed 1 January 2015)

Registered Office: 13, Elliott's Place, London, N1 8HX

Auditor: Buzzacott LLP
130, Wood Street
London EC2V 6DL

Reference and administrative information about the charity and its advisers

Bankers:

CAF Bank Ltd
25 Kings Hill Avenue, Kings Hill
West Malling
Kent ME19 4JQ

Solicitors:

IBB Solicitors
Capital Court, 30 Windsor Street
Uxbridge, Middlesex, UB8 1AB

Investment Advisors:

Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA	Waverton Investment Management Ltd 16 Babmaes Street London SW1Y 6AH
--	---

Investment Property Advisors:

Jorden Salata & Co Ltd
17 Hanover Square
London W1S 1BN

The Board of Governors, who are the Trustees of Richard Reeve's Foundation, present their annual report with the financial statements for the year ended 30 June 2015.

This has been prepared in accordance with Part 8 of the Charities Act 2011. The report is also a directors' report required by s415 of the Companies Act 2006. All of the trustees are also directors of the charitable company. The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 19 of the attached financial statements and comply with the charitable company's governing document, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" (revised 2005).

Structure, Governance and Management

Legal status

Richard Reeve's Foundation is a charitable company limited by guarantee, incorporated on 17 April 2010 and entered on the Central Register of Charities on 14 June 2010. It was established to hold the non-permanently endowed assets and undertake the day-to-day activities of the Richard Reeve's Endowment Charity ('the Scheme Charity') from 21 July 2010. The permanent endowment assets are retained by the Scheme Charity pursuant to the terms of a Scheme of the Charity Commissioners, which became effective on 1 August 2010 and appointed Richard Reeve's Foundation as sole corporate Trustee of the Scheme Charity.

The Scheme Charity (Charity No: 312504) is constituted under a Scheme of the Charity Commissioners dated 4 October 1991. The original charity was founded in 1706 by the will of Richard Reeve when he died on 31 August 1702. His will required that these monies be used for "*the education and maintenance of poor children of the parish of St Sepulchre's and bringing them up in the fear of God and putting them forth apprentices for some calling for their future good and for the suppressing of vice an immorality...*". While the Area of Benefit has been expanded to encompass the City of London and the London Boroughs of Camden and Islington and the objects have been amended and restated by a Charity Commission Scheme, Richard Reeve's original intentions are still the guiding principles for all the grant-making of the Governors today.

The Board of Governors of Richard Reeve's Foundation is the Corporate Trustee of the Finsbury Educational Foundation. It is the intention to apply for a scheme to effect the merger of Finsbury Educational Foundation with Richard Reeve's Foundation in order to improve operational efficiency of both organisations.

Board of Governors

The Foundation's Articles of Association state that the Board of Governors shall comprise not more than thirteen persons: one Ex-Officio Governor being the Rector for the time being of the Ecclesiastical Parish of St. Sepulchre-without-Newgate or otherwise the principal officiating Minister for the time being of the church of St Sepulchre in the City of London; two Governors nominated by the Churchwardens of the Ecclesiastical Parish of St Sepulchre-without-Newgate; two Governors nominated by the Council of Almoners of Christ's Hospital; one Governor nominated by the Corporation of the City of London; one Governor nominated by the Council of the London Borough of Camden; one Governor nominated by the Council of the London Borough of Islington and not more than five co-opted Governors.

All nominated Governors are appointed for a term of four years and Co-opted Governors for a term of five years.

Structure, Governance and Management (continued)

Board of Governors (continued)

General responsibilities of Governors are considered to be:

1. Strategic – defining and approving the Foundation's Mission and strategic direction and aims, and arriving at appropriate policy decisions to take them forward;
2. Stewardship – to have responsibility for the Foundation's assets, their preservation and exploitation and assessment of risks;
3. Monitoring – to oversee the effective management of the Foundation and its services, including the appointment of employees and external advisors;
4. Promotion and advocacy of the Foundation to external clients, partners and stakeholders;
5. Governance – ensuring that Governor business is conducted effectively and that recommended good governance is followed;
6. Attendance – the Board meets at least four times a year.

Governor selection process

When a vacancy exists, the Chairman with the support of other Governors, considers the skills and personal profile that would best contribute to the needs of the Foundation.

Governor induction and training

The Foundation recognises that new Governors must be made aware of its charitable purposes, modus operandi, plans, problems and challenges. All new Governors, Co-opted, Nominated, Ex-officio receive an induction pack of key documentation and are invited to a briefing meeting with the Chair of Governors, Vice-Chair and Clerk before their first Board meeting. All Governors are required to confirm their eligibility to act and the Foundation maintains a Register of Interests – updated annually – to ensure any conflicts of interest are identified.

Where it would be helpful, other steps such as the provision of training and/or the appointment of another Governor to act as mentor, may be taken.

Governors are encouraged to attend external training events where these will facilitate their responsibilities as Governors.

Management

The Board of Governors has established two principal committees to better discharge functions relating to the administration and management of the Foundation:

1. Investment & Finance Committee – meets at least 4 times a year
2. Strategy Committee – meets at least 3 times a year.

Other sub-committees and working groups are constituted on an ad-hoc basis as required.

Objectives and activities

The **objects** of the charity as set out in the 1991 Scheme are:

To advance or assist in the education or care of Beneficiaries, either individually or collectively, in particular (but not exclusively) by:

- i. awarding to Beneficiaries exhibitions, bursaries, grants and maintenance allowances tenable to any school, university, college of education or other institution of further (including professional and technical) education approved for the purpose by the Governors;
- ii. assisting Beneficiaries to train or equip themselves for a trade, profession, service or other occupation whereby they may support themselves;
- iii. providing or assisting in the provision of facilities for education, leisure-time activities, help or training for Beneficiaries;
- iv. providing care, help or training for Beneficiaries who are delinquent, deprived or in moral danger;
- v. assisting any school, college or other educational establishment attended by Beneficiaries which is conducted by a charity or is wholly or partially supported from public funds;
- vi. assisting other charities or voluntary organisations which provide or which undertake in return to provide facilities for education, care, help or training for Beneficiaries.

The Foundation's beneficiaries are children and young persons of not more than 25 years of age who are in need of financial assistance and:

- i. who or whose parents live or work, or formerly lived or worked in the Area of Benefit; or
- ii. who are students of, or have been accepted as students of, educational institutions in the Area of Benefit, provided that in special cases persons of not more than 40 years of age who are otherwise qualified may be deemed to be Beneficiaries for the purposes of these presents.

Area of Benefit

The Richard Reeve's Foundation's Area of Benefit is the London Boroughs of Islington and Camden and the City of London.

Activities

The Foundation seeks to fulfil its charitable objects by making grants to a small number of partner organisations to deliver benefits to people in our area of benefit through projects that maximise value for our Beneficiaries through education and training. Projects are usually funded for up to three years so as to increase their effectiveness and impact.

Objectives and activities (continued)

Grant making – our strategic focus

During the year, the Board commenced a review of its grant-making strategy. For the last three years, the Foundation's priorities have been: preparation for work; numeracy and literacy; protection and development and further education and higher education. Due to an increase in the Foundation's resources and the opportunity this presented for Governors to increase the Foundation's impact, a review was thought to be timely. The Governors want the work of the Foundation to reflect the spirit of the original bequest made by Richard Reeve over three centuries ago and for it to contribute to a more lasting beneficial impact on the lives of individuals and society as a whole.

The Foundation's focus will be to bring about a step-change in the following areas:

Strategic Aims	Target groups	Outcomes
1. Raising Literacy & Numeracy	Early years and primary school students	<ul style="list-style-type: none"> Achieving RRF's minimum standard namely the standard set out in National Curriculum key stages 1 and 2; Outperforming sub-levels by a significant factor, e.g. by exceeding expected progress within each key stage.
2. Progression into Work	16-18 year olds and others attending schools and higher and further education institutions	<ul style="list-style-type: none"> Entry into sustainable employment offering job satisfaction, retention and prospects of career progression and self-improvement.

In addition to the above two main areas of strategic focus, the following grant making activities were adopted as part of the strategy:

Strategic Aims	Target groups	Outcomes
3. Providing maintenance grants to students (Continuity item)	16-21 year olds attending Westminster & Kingsway College and City & Islington College; NHS students under 40 years of age attending City University.	<ul style="list-style-type: none"> Enabling students to complete their course.
4. Christ's Hospital (Heritage item)		
a. Block grant	The school	<ul style="list-style-type: none"> Maintains our historic link with the school.
b. Support fund	RRF presentees	<ul style="list-style-type: none"> Presentees are enabled to succeed and take advantage of all the school has to offer.

Achievements and performance

The past year has been a period of transition for the Foundation much aided by entry into an agreement in December 2014 to grant a 125 year lease of its investment property in Beak Street London W1 for the sum of £10.25m, of which £6.1m has been received. Completion will take place in late 2015 when the balance is due.

The prospect of significant additional income from the re-investment of these proceeds being available for grants, together with our existing commitments to our project partners coming to an end, provided an appropriate time for us to review our grant-giving strategy the outcome of which has been reported under the section above.

Projects supported during the year under the 'old' grant-making themes included:

Grant-making Theme	Projects
Literacy & Numeracy	<p>The Foundation continued to work with SHINE Trust and School Home Support (SHS) providing grants during the year, supporting projects to the value of £96,219.</p> <p>SHINE and the Richard Reeves Foundation first joined forces in 2012 to start two new projects in deprived parts of Islington, hosted by Hungerford Primary School and Pakeman Primary School. SHINE on Saturday is a 30 week intensive programme providing extra literacy and numeracy support to children from disadvantaged backgrounds who need additional help to achieve their best at school.</p> <p>Since the project started in 2012 more than 300 children from across 8 Islington primary schools have benefitted.</p> <p>For 2014/15 the average progress in maths was 2.4 sublevels, with 78% of children making 2 or more sublevels of progress. Whilst the average progress in English was 2.2 sublevels, with 70% of children making 2 or more sublevels of progress.</p> <p>By way of context, the national expectation is for all children to make 3 sublevels of progress every 2 years (which equates to 1.5 sublevels per year). These results therefore represent progress which is significantly above expectations, despite the fact that 71% of the group were on Free School Meals and therefore statistically less likely to achieve.</p> <p>During the year Richard Reeves Foundation made a grant to fund an SHS practitioner post at Hugh Myddelton School in Islington, which focused on increasing parental engagement around the school's literacy and numeracy support programmes, respectively known as Reading Matters and Numbers Counts. The project has been so successful that the school engaged the practitioner directly as a permanent member of staff.</p>
Preparation for Work	<p>During the year the Foundation awarded grants amounting to £81,350 to Spear Trust (Camden), Prince's Trust and Young Enterprise. Each of these projects helped to provide employability support to young people within our Area of Benefit, some of whom are NEET.</p>

Achievements and performance (continued)

Grant-making Theme	Projects
Further and Higher Education	<p>We were pleased to be able to continue to support students in need at City and Islington College and City University by giving £21,000 to each institution.</p> <p>At City & Islington College, 98 students received an award on which almost half the money was spent on course-related costs such as materials and equipment.</p> <p>To be eligible for support, a student must be attending a full-time or part-time course at the College and at the start of the academic year in which they submit an application must:</p> <ul style="list-style-type: none">• be aged 16-19; and• have lived in the RRF Area of Benefit for at least one year prior to commencing the course; or• be in the second or subsequent year of the course; and• be in financial hardship and have applied for and received entitlement to all funds available from the government and other sources. <p>At City University, where the grants are made to mature students on courses supported by the NHS, 15 awards were made.</p>
Protection and Development	<p>Within this category, £47,896 was given to School Home Support (SHS), Street Kids International (UK) and Pirate Castle. The SHS grant supported a practitioner at Camden Centre for Learning whose aim was to engage the parents/guardians of young children with complex needs with the facility and their child's learning.</p> <p>Our grant to Street Kids International (UK) benefitted 450 young people from Camden to increase business knowledge, help them with experience of running an enterprise, developing communication and life-skills and awareness of the wider job market.</p>

In May 2015, the Foundation moved its office from Smithfield in the City to Islington, to share offices with Cripplegate Foundation, a charity working to relieve poverty and effect lasting social change in Islington. There is significant synergy between our respective organisations' objects and activities, as well as providing our Foundation's Clerk with a network on which further relationships can be built.

Plans for the future

Having agreed the new strategic priorities of Literacy & Numeracy for primary school age children and Progression into Work, the Foundation is actively seeking partners with whom it can engage to deliver projects that make a lasting change.

Conversations have been had with the London Boroughs of Islington, Camden and the City of London who submitted proposals for projects within their respective Boroughs. In addition, SHINE and School Home Support have submitted a joint proposal to work in 10 primary schools across Islington and Camden, which have a higher than London average percentage of children receiving Free School Meals with projects, interventions and support to try and break the link between poverty and low educational attainment. A grant of £930,000 has been requested over the next 3.5 years which the Governors have approved.

Plans for the future (continued)

Following the success of the mentoring project with Islington Giving, funded by the Finsbury Educational Foundation (of which Richard Reeve's Foundation is the sole corporate trustee), the Governors have in principle agreed to provide further funding of £43,000 over the next 4 years to develop and expand this highly successful initiative to all Islington secondary schools. However, this scheme is only currently available to Islington schools and Governors are keen to facilitate taking a similar scheme into Camden. This initiative will be pursued during the course of the year.

The Foundation will continue with its financial support of Christ's Hospital, a historical link that goes back to the founding of the charity in 1706 in the City of London parish of St Sepulchre's when the school was still in the parish.

The Foundation will also continue to provide maintenance grants to students in financial hardship attending City and Islington College and City University.

If all the above projects are funded, this by no means exhausts the available income for grants. Other agencies that can offer demonstrably effective and value-for-money projects and share our values and aspirations will be sought during the course of the year.

To reflect our new strategy, the Foundation has developed a new visual identity that better embodies the impact and presence we are confident the Foundation will have in the coming years within its Area of Benefit and amongst its target groups.

Investment activity and performance

The Foundation and its advisers marketed the head lease of 40 Beak St during the first half of the year for which there was a good level of interest. The following discussions resulted in an Agreement for Lease being concluded with a development company in December 2014 for £10.25m. Governors are satisfied that the building's eventual rejuvenation will enhance the area and produce an attractive future rental stream.

A review of our wider investment strategy was undertaken in which our longer term preference for a medium to high risk approach was restated while setting short term targets for annual income flow. This is intended to optimise the amount available for grant-giving while maintaining the real value of the endowment. The review also entailed an assessment of investment management services that culminated in the reappointment of Cazenove Capital Management and the additional appointment of Waverton Investment Management.

Major stock market indices produced widely varying returns during the year with the UK, which hardly changed, being outshone by several overseas benchmarks. Our focus on income producing equities helped to increase our incoming resources from listed investments to £500,435. Capital values fluctuated dramatically throughout the year as they reflected increased geopolitical risk, and the unsettling influence of the Greek debt crisis. Commercial property provided a counterweight to that volatility, as demand for well-located space remained buoyant; this has been reflected in the increased valuations of our remaining investment properties.

Financial review

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

The receipt and investment of the deposit on the sale of a long lease on 40 Beak Street part way through the year had a material impact on our income which increased by 32% to £643,447 (2014: £486,919). This, combined with a reduction in the professional fees relating to the management and development of 40 Beak Street, resulted in a reduced net deficit before other gains and losses of £11,508 (2014: £123,152).

The Governors have continued to keep expenses under control helped by the cessation of previous property expenses and the move to new offices. We expect the position to improve further in the coming year.

A full listing of grants awarded in the year is shown in note 2 of the financial statements. The Foundation awarded grants totalling £280,119 (2014: £278,015) during the year.

The increase in the charity's total funds to £33,941,060 (2014: £23,494,946) reflects the agreed price for the sale of a long lease on 40 Beak Street and a desktop revaluation of the retained freehold interest, together with a desktop revaluation of 1/3 Upper James Street.

Risk management

Financial controls and other operational and business risks have been reviewed and necessary procedural changes taken to mitigate identified risks. The Governors have managed the investment and property transactions so as to maintain grant making capability and ensure sufficient reserves to meet commitments. The Investment & Finance Committee reviews the risk register annually and reports to the Board annually.

Investment policy

The Foundation has been a grant-making body since 1706 and the Governors wish to maintain its long-term grant-making ability in real terms. The investment policy is therefore structured towards this aim. In recent years Governors have taken measures to diversify asset allocation, which was previously dominated by a small number of direct property holdings. Grants are paid out of investment income earned on our endowment.

The Governors appoint and delegate management of the bulk of their non-property investment portfolio to authorised investment managers. Where the Governors delegate their investment powers their objective is to maintain the capital value and income of stock market investments in real terms and this will be measured on a five-year timescale. In any one year the Governors prefer to keep any variation in income to within + or – 10%, due to their grant-making obligations. Some investment may be made directly by the Investment & Finance Committee subject to Board approval. The Governors appoint property and legal advisers, as required, to assist them in the management of specific issues relating to the Foundation's investments or other activities.

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 managers appointed will be made aware of this fact and of their obligation to fulfil the Governors statutory duty of care.

A proportion of our resources that may be needed for immediate working purposes, together with the free reserves, is held in liquid assets and kept under review by the Foundation's Investment and Finance Committee.

Financial review (continued)

Investment policy (continued)

The investment managers report quarterly to Governors and the Investment and Finance Committee regularly review their performance.

The Governors review the Foundation's investment policy annually.

In rebalancing the Foundation's stock market investments with effect from 30 June 2015 the Governors are targeting an initial income yield of 3% which is expected to grow over time. It is expected that the fund's total return should match or exceed the change in the Consumer Price Index plus 4% measured over rolling five-year periods. The Foundation has a medium to high tolerance for risk of capital over the longer term providing its annual income targets can be met within the parameters shown above.

Reserves policy

Governors are tolerant of temporary fluctuations in capital values but they monitor short term cashflow in order to meet operating expenses and optimise the level of grants. The Foundation's ability to operate and its grant making capability are wholly dependent on income from investments. Governors are undertaking a major review of the Foundation's grant-giving strategy and its future level of reserves, until that is complete the balance sheet will include free reserves of £200,000.

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.

Statement of Governors' responsibilities

The Governors (who are also directors for the purposes of company law) are responsible for preparing the Governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year. In preparing these financial statements, the Governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
 - ◆ observe the methods and principles in the Statement of Recommended Practice;
 - ◆ make judgements and estimates that are reasonable and prudent;
 - ◆ state whether applicable United Kingdom 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 charity will continue in operation.
- ◆ The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of Governors' responsibilities (continued)

Each Governor confirms that:

- ◆ so far as he/she is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ he/she has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Signed on behalf of the Governors:

Governor: M Bennett

Governor: J Tickle

Approved on: 9 December 2015

Independent auditor's report to the Members of Richard Reeve's Foundation

We have audited the financial statements of Richard Reeves Foundation for the year ended 30 June 2015 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

The Governors are also the directors of the charitable company for the purposes of company law. As explained more fully in the Governors' Responsibilities Statement set out in the Governors' Report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 June 2015 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.

Independent auditor's report 30 June 2015

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Simon Goodridge, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 December 2015

Statement of financial activities Year to 30 June 2015

	Notes	Unrestricted funds £	Endowment funds £	2015 Total funds £	2014 Total funds £
Incoming resources					
Incoming resources from generated funds					
. Property rental income		128,757	—	128,757	128,757
. Investment income		500,435	—	500,435	349,474
. Bank deposit interest		3,505	—	3,505	5,488
Other incoming resources		10,750	—	10,750	3,200
Total incoming resources		643,447	—	643,447	486,919
Resources expended					
Cost of generating funds					
. Property costs		102,858	146,702	249,560	223,933
. Investment management		—	28,120	28,120	24,885
		102,858	174,822	277,680	248,818
Net incoming resources available for charitable application		540,589	(174,822)	365,767	238,101
Charitable activities	1	363,573	—	363,573	348,891
Governance costs	4	13,702	—	13,702	12,362
Total resources expended		480,133	174,822	654,955	610,071
Net incoming (outgoing) resources for the period before revaluations and investment asset disposals					
		163,314	(174,822)	(11,508)	(123,152)
Realised gains (losses) on investments	10	—	407,466	407,466	(61,966)
Other recognised gains and losses					
Unrealised gains on the revaluation of investments	10	—	94,290	94,290	576,137
Revaluation of property	9	—	9,955,866	9,955,866	—
Net movement in funds		163,314	10,282,800	10,446,114	391,019
Balances brought forward at 1 July 2014		140,052	23,354,894	23,494,946	23,103,927
Balances carried forward At 30 June 2015		303,366	33,637,694	33,941,060	23,494,946

Statement of financial activities Year to 30 June 2015

	2015 Total funds £	2014 Total funds £
Historical cost net movement in funds		
Net movement in funds (page 15)	10,476,114	391,019
Unrealised gains on investments	(94,290)	(576,137)
Investment management fee	15,831	17,124
Revaluation of freehold property	(9,955,866)	—
Difference between historical cost realised gains (losses) and the actual realised gains calculated on the revalued amounts of investments	868,845	83,395
Historical cost net movement in funds	1,310,634	(84,599)

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

Balance sheet 30 June 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Tangible fixed assets	8		36		473
Fixed asset investments					
Investment properties	9		19,200,000		9,243,429
Listed investments	10		20,293,329		13,907,182
			39,493,365		23,151,084
Current assets					
Debtors	11	44,032		198,187	
Short term deposits		475,182		312,583	
Cash at bank		158,958		12,359	
		678,172		523,129	
Creditors: amounts falling due within one year	12	(6,230,477)		(179,267)	
Net current (liabilities) assets			(5,552,305)		343,862
Total net assets			33,941,060		23,494,946
Represented by:					
Funds and reserves					
Unrestricted					
. Accumulated income fund			303,366		140,052
Endowment fund	13		33,637,694		23,354,894
			33,941,060		23,494,946

Approved by the Governors
and signed on their behalf by:

Governor: M Bennett

Governor: J Tickle

Approved on: 9 December 2015

Richard Reeve's Foundation - Company registration number 7226633 (England and Wales)

Principal accounting policies 30 June 2015

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and investment properties and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

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.

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 costs connected with the charity's investment properties including the fees paid to property managers in connection with their management.
- 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 period 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 financial statements.

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.

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

Principal accounting policies 30 June 2015

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 as at 30 June 2015 and will continue to be professionally valued at least every five years.

Investment property disposals are recognised on completion. Profit and losses arising are recognised through the statement of financial activities and the profit or loss on disposal is determined as the difference between the sales proceeds and the carrying value of the asset.

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 represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Foundation's charitable objects.

Cash flow

The financial statements 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'.

Consolidation

The charity has taken advantage of the exemptions from preparing consolidated financial statements available under section 399 of the Companies Act 2006 and section 139 of the Charities Act.

Notes to the financial statements 30 June 2015

1 Charitable activities

	2015 £	2014 £
Grant funding of activities (note 2)	280,119	278,015
Support costs		
Staff remuneration (note 6)	39,537	27,079
Premises costs	22,403	19,613
Office expenses	10,467	12,131
Professional fees	11,047	12,053
	83,454	70,876
	363,573	348,891

2 Grant funding of activities

	2015 Number of grants to individuals	2015 £	2014 Number of grants to individuals	2014 £
Grants payable to organisations				
Camden Spear Trust		40,000		—
Christ's Hospital		10,500		10,500
School Home Support				
. Camden Toy Libraries		—		16,255
. Camden Centre for Learning (Formerly Pupil Referral Units)		20,439		34,239
. Support worker, Torriano Junior School		2,093		20,543
. Project outcomes report		—		2,818
. Unlocking Potential: Hugh Myddelton School		13,626		21,114
SHINE Trust				
.Hungerford Primary School		20,500		30,000
.Pakeman Primary School		60,000		60,000
Street Kids		20,457		—
The Pirate Ship		7,000		15,000
The Prince's Trust		24,650		—
Young Enterprise		16,700		—
Total Grants to organisations		235,965		210,469
Grants payable to individuals attending:				
Birkbeck College	—	—	2	3,000
City University (block grant)	15	21,000	22	21,000
City and Islington College	98	21,000	85	21,000
Westminster Kingsway	—	—	82	21,000
Other grants payable to individuals				
To support them in education	4	2,154	5	1,546
Total grants payable to individuals	117	44,154	196	67,546
Total grants payable		280,119		278,015

3 Grant commitments

The charity has agreed in principle to make the following grants in future years:

	2015-16 £	2014-15 £
School-Home Support	6,813	—
SHINE	20,000	90,000
Christ's Hospital	10,500	10,500
	37,313	100,500

As payment of these grants is subject to annual review, will be discontinued if the projects cease to operate or have unsatisfactory outcomes, and is dependent on the charity's financial position at the time, no provision has been made for future grants in these financial statements

4 Governance costs

	2015 £	2014 £
Audit and accounting	7,197	7,753
Staff remuneration (note 6)	6,358	4,385
Trustees' travel expenses	147	197
Trustees' meeting costs	—	27
	13,702	12,362

5 Net incoming resources before revaluations and investment asset disposals

Net incoming resources before revaluations and investment asset disposals are stated after charging:

	2015 £	2014 £
Auditor's remuneration		
. Statutory audit		
-Current year charge	7,980	8,040
-Prior year over provision	(783)	(287)
. Accountancy services	7,232	10,553
. Taxation services	6,551	3,635
Staff costs (note 6)	45,895	31,464
Depreciation	437	437
Operating lease rentals	19,276	22,080

6 Staff costs and governors' remuneration

	2015 £	2014 £
Staff costs during the period were as follows:		
Wages and salaries	36,229	26,626
Social security costs	186	2,175
Pension costs	3,512	2,663
	39,927	31,464
Temporary staff	5,968	—
	45,895	31,464

Staff costs have been apportioned as follows

	2015 £	2014 £
Charitable activities – support costs	39,537	27,079
Governance costs	6,358	4,385
	45,895	31,464

The Foundation had 1 employee in the year (2014 - 1). No employee earned £60,000 per annum or more during the year (2014 - none). No governor has received any remuneration (directly or indirectly) from the Foundation. £147 expenses were reimbursed to one governor for travel expenses during the year (2014 - £197 to one governor).

7 Taxation

Richard 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 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 July 2014	21,491
Disposals	(19,308)
At 30 June 2015	2,183
Depreciation	
At 1 July 2014	21,018
Charge for the period	437
Disposals	(19,308)
At 30 June 2015	2,147
Net book value	
At 30 June 2015	36
At 30 June 2014	473

9 Investment properties

	£
At valuation	
At 1 July 2014	9,243,429
Additions at cost	705
Revaluation during period	9,955,866
At 30 June 2015	<u>19,200,000</u>

The freehold properties were valued by the Governors based on professional advice on an open market basis as at 30 June 2015, as follows:

	£
40 Beak Street*	14,200,000
1/3 Upper James Street	5,000,000
	<u>19,200,000</u>

*On 19 December 2014 the Foundation exchanged contracts on a long leasehold agreement for 40 Beak Street for the sum of £10,250,000. A non-refundable deposit of £6,100,000 was received in the year (see note 12) with the balance due on completion.

The Foundation's properties were purchased in 1708. The historical cost of the properties shown in the financial statements is not known but would be minimal in today's money. The Foundation capitalises improvements to the properties. The historical cost of improvements to 40 Beak Street is £1,158,767.

10 Listed investments

	£
At 1 July 2014	13,578,621
Additions	10,342,447
Disposals (proceeds: £9,049,156 gains: £407,466)	(8,641,690)
Investment manager's fee	(15,831)
Unrealised gains	94,290
Market value at 30 June 2015	15,357,837
Cash held by investment manager for reinvestment	4,935,492
	<u>20,293,329</u>
Historical cost of listed investments at 30 June 2015	<u>19,246,430</u>
Movements in unrealised gains on investments	
At 1 July 2014	1,831,657
In respect of disposals in period	(863,217)
Investment manager's fee	(15,831)
	952,609
Net gains arising on revaluations during the period	94,290
Unrealised gains at 30 June 2015	<u>1,046,899</u>

10 Listed investments (continued)

	Total 2015 £	Total 2014 £
Listed investments comprise:		
UK Fixed Interest	954,109	754,299
UK Equities	7,290,520	8,800,178
Overseas Fixed interest	489,627	293,330
Overseas Equities	5,035,189	2,631,272
Portfolio Funds	647,703	609,534
Hedge Funds	575,566	78,440
Others	365,123	411,568
	15,357,837	13,578,621

The following investments were individually more than 5% of the Foundation's listed investments:

Units	£	%
1,800,000 The Equity Income Trust for Charities	1,677,600	10.9
693,350 Legal & General UK Index Income C	1,009,519	6.6
3,864 Vanguard US Equity Index Income	968,446	6.3
350,729 Legal & General European Index Income	795,453	5.2

11 Debtors

	2015 £	2014 £
Interest and investment income	2,532	52,148
Other debtors and prepayments	41,500	146,039
	44,032	198,187

12 Creditors

	2015 £	2014 £
Grants payable	17,500	6,588
Other creditors	6,132,227	124,536
VAT payable	29,422	—
Accruals	19,139	14,673
Deferred income	32,189	33,470
	6,230,477	179,267

Other creditors include a non-refundable deposit of £6,100,000 received for the granting of a long-lease for the Foundation's investment property at 40 Beak Street (see note 9).

13 Analysis of net assets between funds

	Unrestricted funds £	Endowment fund £	Total 30 June 2015 £
Fund balances at 30 June 2015 are represented by:			
Tangible fixed assets	36	—	36
Investment properties	—	19,200,000	19,200,000
Investments	—	20,293,329	20,293,329
Deposits	475,182	—	475,182
Other net current liabilities	(171,852)	(5,855,635)	(6,027,487)
	<u>303,366</u>	<u>33,637,694</u>	<u>33,941,060</u>

Endowment fund

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.

14 Lease commitments

As at 30 June 2015 the charity had no annual commitments (2014 - £22,080 under a property lease expiring within two to five years).

15 Finsbury Educational Foundation

The charity acts as corporate trustee of the Finsbury Educational Foundation, a registered charity (Charity Registration Number 312506). A summary of the results for the year and the position at the year end of the Finsbury Educational Foundation is shown below:

	Year ended 30 June 2015 £	18 month period ended 30 June 2014 £
Total incoming resources	22,872	35,677
Total resources expended	(108,720)	(6,120)
Net (outgoing) incoming resources before other recognised gains and losses	(85,848)	29,577
Other recognised gains and losses	72,425	204,167
Net movement in funds	(13,423)	233,724
Total funds at 1 July 2014	1,199,633	965,909
Total funds at 30 June 2015	1,186,210	1,199,633

16 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.