



Enabling
young
people to
progress

Annual Report and Financial Statements

30 June 2016

Charity Registration Number 1136337

Company Limited by Guarantee
Registration number 07226633 (England and Wales)

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Reference and administrative information about the charity and its advisers

Registered Company Number: 07226633

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 Chairman to 11 July 2016)

Nominated by the Churchwardens of the Ecclesiastical Parish of St Sepulchre-without-Newgate (2):
(Term 4 years) Mrs Mavis Hughesdon (Resigned 17 August 2016)
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 (Resigned 14 March 2016)
Mr Michael Hudson (Appointed 1 August 2016)

Nominated by the Council of the London Borough of Camden (1):
(Term 4 years) Ms Lorna Russell

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)
Mrs Sarah Betteley (Resigned 3 September 2015)
Mr Sylvan Dewing
Mrs Jo Emmerson (Appointed 1 August 2016)
Mr Mark Jessett
Mr John Tickle

Clerk and Company Secretary: Mr Andrew Fuller

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:	Until June 2016:	From 29 January 2016:
	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Lloyds Bank 1st Floor 39 Threadneedle Street London EC2R 8AU
Solicitors:	Investment Property advice:	Charity advice:
	IBB Solicitors Capital Court 30 Windsor Street Uxbridge Middlesex UB8 1AB	Bond Dickinson LLP 4 More London Riverside London SE1 2AU
Investment advisers:	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA	Waverton Investment Management Ltd 16 Babmaes Street London SW1Y 6AH
Investment property advisers:	Avison Young Becket House 36 Old Jewry London EC2R 8DD	

The Board of Governors, who are the Trustees of Richard Reeve's Foundation, for the purposes of charity law, present their annual report with the financial statements for the year ended 30 June 2016.

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 Governors are also directors of the charitable company for the purposes of company law. The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached financial statements and comply with the charitable company's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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 and 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.

Structure, Governance and Management (continued)

Legal status (continued)

The Board of Governors of Richard Reeve's Foundation is the Corporate Trustee of the Finsbury Educational Foundation (Charity Number 312506). On the basis that it would be more effective to have one charity instead of two advancing broadly similar objects and being operated in the same way, in September 2015, the Board of Governors of Richard Reeve's Foundation applied to the Charity Commission for a scheme to effect a merger of both charities and the dissolution of Finsbury Educational Foundation. After a public consultation in December 2015, on 22 February 2016, the Charity Commission agreed to make a Scheme to merge both charities.

At a meeting of the Richard Reeve's Foundation Board of Governors on 8 June 2016, a resolution was passed to approve the Charity Commission Scheme dated 17 June 2016 to merge Finsbury Educational Foundation into Richard Reeve's Foundation, with the permanent endowment held within Finsbury Educational Foundation, being transferred to Richard Reeve's Endowment on 30 June 2016.

After approval of the Finsbury Educational Foundation's final financial statements for the year ended 30 June 2016 by the Governors of Richard Reeve's Foundation, Finsbury Educational Foundation will be removed from the Register of Charities with the Charity Commission.

Board of Governors

The Foundation's current 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.

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;

Structure, Governance and Management (continued)

Board of Governors (continued)

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.

In April 2016, Governors conducted a public recruitment drive for one new co-optee governor, inviting applications from individuals with experience that would help us make a success of our strategy of raising literacy and numeracy for primary school age children and facilitating progression into work for young people. 13 applications were received and a successful appointment made.

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 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. Attendance at external training events, where these will facilitate their responsibilities as Governors, is also encouraged.

Key management personnel

The key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis comprise the Governors together with the Clerk to the Governors. No Governor receives any remuneration from the Foundation and the remuneration of the Clerk of the Governors is reviewed annually by the Chairman in consultation with the Chairman of the Investment & Finance Committee.

Management

The Board 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 four times a year
2. Strategy Committee – meets at least four 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 assistance 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

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, within our current area of benefit. London has of course changed beyond recognition over the past 300 years, but unfortunately too many young people are still not getting off to a good start in life by receiving a good standard of basic education, thereby leading to a less fulfilling life and poor employment prospects.

The Foundation's focus continues to 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 where the pupil Free School Meals ratio is in excess of 40%	<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	16-24 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.

Objectives and activities (continued)

Grant making – our strategic focus (continued)

In addition to the above two main areas of strategic focus, the following grant making activities form part of the Foundation's strategy, with Music having been incorporated from 1 July 2016, after the merger of Finsbury Educational Foundation with Richard Reeve's Foundation:

Strategic Aims	Target groups	Outcomes
3. Music	Young people under the age of 25 from disadvantaged backgrounds who wish to study music	<ul style="list-style-type: none"> • Students achieve musical progression • Students develop confidence and self-esteem
4. Providing maintenance grants to students (Continuity item)	16-21 year olds attending 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.
5. 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 mainly been a period of implementing the new strategy agreed by Governors in Summer 2015, by finding suitable partners to deliver exemplary projects principally promoting our two core areas of literacy and numeracy and progression into work.

In total, we spent £264,444 in 6 grants to organisations and 105 grants to individuals across all our priorities. The majority of this was spent on 'Literacy & Numeracy' projects £175,439 (4 projects) and £43,000 on 'Progression into Work' (1 project). It has been considerably harder to find partners that help us with our aim of 'Progression into Work', but we have been pleased to augment a mentoring project in Islington that has been funded since 2014 by the Finsbury Educational Foundation.

We are a small organisation by any measure, though we aim for our work to be significant. Governors decided that the best way to achieve this impact is to have a principal focus on engaging more deeply with existing partners, exploring how we might add further value and thereby extend the reach of what we are doing. Having said this, we remain open to other 'exceptional/exciting' projects that come our way.

Achievements and performance (continued)

Grant awards were made in support of a number of projects and the most significant were:

Literacy & Numeracy

Partners in Learning In January 2016, the Foundation entered into separate agreements with SHINE and School Home Support (SHS) to help children from low-income families in Islington and Camden improve their educational attainment. Having experience of the valuable work of both agencies, the Foundation suggested a combined approach of their respective specialisms to help improve impact. It is expected that 80% of children receiving targeted support will improve their attendance and engagement with learning, and 80% will show improved attainment in literacy and numeracy.

The project commenced Spring 2016, targeting ten primary schools and, should annual outputs be commensurate with our aims, will be funded over three years at a total cost of almost £1m.

By early Summer it became clear that despite enthusiastic take-up by 7 primary schools in Islington and concerted promotion to schools in Camden, SHINE & SHS have been unable to recruit a partnership of Camden primary schools to join the 'Partners in Learning' project. This has been disappointing and we are looking at various options that include working in some Camden primary schools in some other way, whilst still achieving the original outputs.

Progression into Work

Islington Giving Finsbury Educational Foundation has been funding a business-led mentoring programme called 'Mentoring Works' involving a number of Islington secondary schools since 2014. The success of the project inspired the Governors to provide additional funds to develop and expand the programme for the benefit of all Year 10 and Sixth-form college students in Islington.

The Project aims to:

- enable young people to gain confidence and skills and to gain an understanding of the opportunities available to them in terms of future careers and study options;
- link young people to mentors who work in companies principally supported by businesses working with Islington Giving;
- remove barriers to access including through providing targeted support for the most vulnerable young people;
- actively promote volunteering by incorporating volunteering as a key part of the design of the Project; and
- widen the awareness of the needs of and the issues affecting young people in Islington.

Achievements and performance (continued)

Progression into Work (continued)

Our current strategy only sets out what we do with our income, not our capital. Another option Governors considered as a result of having a more significant amount of permanent endowment, was the potential opportunity to utilise a proportion of our capital to further our charitable aims by way of making a programme-related investment.

There have been internal changes during the year too including:

- The merging of Finsbury Educational Foundation with Richard Reeve's Foundation, thereby significantly improving operational efficiency;
- Developing a new grant application form and assessment procedure;
- Development of a new website which will promote awareness of the Foundation and explain clearly and concisely who we are, what we do and the impact we are having;
- Sadly, the retirement of a few valuable Governors, but fortunately we were able to welcome some excellent new Governors;
- The preparation of a "person specification" to aid Governor recruitment; and
- Streamlining of our grant application process.

Plans for the future

The Foundation will continue to implement its current grant-making priorities of funding projects that raise literacy and numeracy standards for early years and primary school students from disadvantaged backgrounds, and facilitating progression into work for 16 to 24 year olds. To achieve these aims, it is currently intended to continue making fewer but larger grants over a longer period with the intention that those grants have more impact.

A major area of concern for the Foundation is achieving its Progression into Work aim. The project 'mentoring works' is a high-quality and effective mentoring scheme, which we will be expanding into Camden later in 2016, but for most pupils the scheme still leaves a considerable gap between preparation for work and actually getting into worthwhile employment. This is the gap we would like our resources to help fill.

We would like to co-create, with the assistance of other funders, a programme which could be developed to have a significant impact on the underlying drawbacks faced by disadvantaged students, not just of a lack of 'soft' skills, but also in creating connections, pathways and experiences that would enable them to enter the world of work.

Plans for the future (continued)

Some initial ideas being considered to help create routes into employment include:

- Developing careers insight sessions;
- Developing project-based work experience that takes live issues or problems with which organisations are grappling;
- Identifying good, progressive employers and working with them to identify job opportunities and then part-funding these for up to a year; and
- Identifying and getting students into good apprenticeship schemes.

We will continue to be open to the idea of a programme-related investment initiative, using a proportion of our permanent endowment to achieve the Foundation's mission.

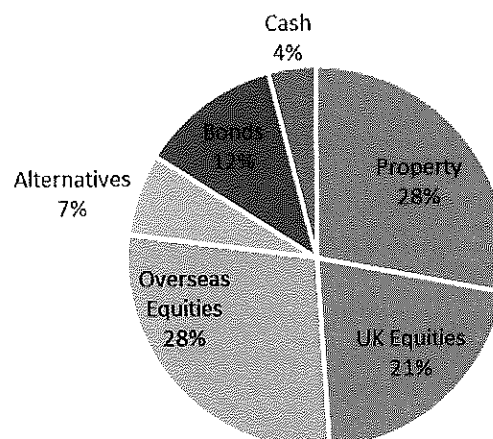
Post balance sheet events

On 28 October 2016, the Foundation entered into an agreement with 1-3 Upper James St. Ltd for the surrender of the existing head lease of 1-3 Upper James Street and the granting of a new head lease for a term of 124 years. Completion of the agreement took place on 25 November 2016.

Investment activity and performance

The proceeds from last year's sale of 40 Beak Street's head lease enabled the Foundation to further its programme of asset diversification, in keeping with prudent investment management principles. During the year the portfolios of our two external securities managers were equalised at approximately £10m, which they invest with full discretion. Additionally, investments were placed with two unitised property funds that provide diversity by type and location. The Investment & Finance Committee continue to manage a residual portfolio of collective investment schemes designed to augment overall income flow and, if required, to be available for any future programme-related investment.

Asset Distribution as at 30 June 2016



Investment activity and performance (continued)

Total income from securities rose to £641,402 (2015 - £500,435) representing 80% of our total income (excluding one-off amounts from the sale of investment property and the transfer of assets from Finsbury Educational Foundation). The importance of strong dividend flow, particularly in a prolonged period of low interest rates, cannot be underestimated.

With its spread of assets, the Foundation is tolerant of moderate fluctuations in capital values and the past year certainly provided much volatility in global markets. Confidence was shaken initially by a slowdown in the Chinese economy and a surprise devaluation of their currency. A sharp drop in oil and metal prices followed and that was quickly reflected in the share prices of commodity producing companies. By December 2015, the oil price had fallen 40% and global share prices were generally weaker amid concerns of a growth slowdown. The following six months produced little improvement with the exception of a partial oil price recovery. By the end of June 2016, the US market was virtually alone in improving modestly on its starting level.

The policy of leading central banks during this period responded to deflationary fears and a subdued level of inflation; low official rates and monetary easing have persisted. Expectations about the timing of future interest rates increases have progressively been deferred and, in the UK, the position altered after the UK's EU referendum on 24 June 2016. Sterling's immediate mark down was followed by the Bank of England's subsequent decision to reduce the base rate and increase monetary easing producing an accompanying drop in bond yields. Sterling's fall, however, boosts the translation effect on overseas asset prices and the value of dividends from which we expect to benefit.

Financial review

The Foundation's results for the year are set out in the statement of financial activities on page 18.

As reported elsewhere in this report, the Charity Commission authorised a scheme on 17 June 2016 that from 30 June 2016 both the expendable and permanent endowment property of Finsbury Educational Foundation, will be administered as part of the Richard Reeve's Foundation. The assets and liabilities of Finsbury Educational Foundation have been included within the financial statements of the Richard Reeve's Foundation from this date, resulting in one-off transfer of £1,114,991 (note 18).

During the year, we received the final payments due in respect of the sale of the head lease on 40 Beak Street. As described above, these funds were invested to boost our securities income. The completion of that property transaction has also led to a marked reduction in property management costs.

Total income, excluding the one-off items noted above, reached £805,820 (2015 - £643,447) for the year, an increase of 25%. The containment of administrative overheads resulted in operational expenditure before grants falling to £103,353 (2015 - £200,014). The combination of higher income and a lower ratio of support costs to income of 13% (2015 - 31%) increased the amount available for grant giving to £702,467 (2015 - £443,433).

Financial review (continued)

A full listing of grants awarded in the year is shown in note 5 of the financial statements. The Foundation awarded grants totalling £246,808 (2015: £280,119) during the year. The balance unspent at 30 June 2016 reflects the Foundation's ongoing discussions with key service providers after which we expect to fund agreed projects over a number of years.

Property values were reassessed in 2015 and Governors remain satisfied that the current book values are realistic. It has been agreed with our advisers that a full revaluation will take place once current activity on both properties is concluded. Overall, net assets improved to £37,037,125 (2015: £33,941,060).

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. In order to continue to operate effectively, the Governors consider that they should maintain 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.

At 30 June 2016 the free reserves of the Foundation stood at £1,492,824, and include the funds from Finsbury Educational Foundation transferred on that date. This is in excess of the level required by the reserves policy. The Governors are currently in the process of discussing the implementation of the Foundation's grant giving strategy. Once this process is complete, the reserves policy and level of free reserves will be reviewed by the Governors.

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.

The three most significant risks identified by the Foundation and the plan for tackling these are:

1. *Unexpected loss or absence of the Clerk to the Governors.* The Foundation has a contingency plan to provide emergency cover and administrative systems in place to ensure continuity of operations.
2. *Failure of IT systems crucial to service/admin delivery.* This risk is managed by ensuring the integrity of regular system backups, increased use of cloud computing plus an IT support contract. All backups and accounting records are stored off site.

Financial review (continued)

Risk management (continued)

3. *Income levels from investments (property, stock market and cash) are significantly lower than budget as a result of a major economic and financial crash over a prolonged period impacting the Foundation's ability to meet grant commitments. This is mitigated by having a suitably diversified portfolio of investments managed professionally, together with an appropriate reserves policy.*

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 & Finance Committee.

The investment managers report quarterly to Governors and the Investment & 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 2016, 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.

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.

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.

Statement of Governors' responsibilities (continued)

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: 

Governor: 

Approved on: 7.12.16

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 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of 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.

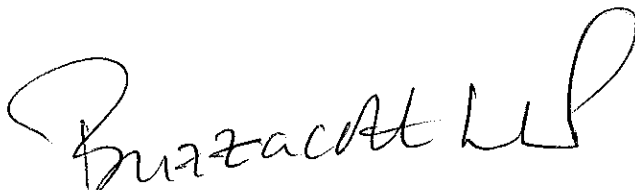
Opinion on other matter prescribed by the Companies Act 2006

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
- ◆ the financial statements are not in agreement with the accounting records; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

13 December 2016.

Statement of financial activities Year to 30 June 2016

	Notes	Unrestricted funds £	Endowment funds £	2016 Total funds £	2015 Total funds £
Income					
Investment income	1	805,820	—	805,820	632,697
Other income	2	—	—	—	10,750
Total income		805,820	—	805,820	643,447
Expenditure					
Cost of raising funds	3	1,504	98,925	100,429	277,680
Expenditure on charitable activities	4	348,657	—	348,657	377,275
Total expenditure		350,161	98,925	449,086	654,955
Net income (expenditure) before gains on investments		455,659	(98,925)	356,734	(11,508)
Net gains on listed investments	13	—	532,054	532,054	501,756
Realised gains on disposal of investment property	12	—	1,092,286	1,092,286	—
Revaluation of investment property	12	—	—	—	9,955,866
Net income for the year		455,659	1,525,415	1,981,074	10,446,114
Transfer of assets from Finsbury Educational Foundation	18	733,799	381,192	1,114,991	—
Net movement in funds for the year		1,189,458	1,906,607	3,096,005	10,446,114
Reconciliation of funds:					
Balances brought forward at 1 July		303,366	33,637,694	33,941,060	23,494,946
Balances carried forward at 30 June		1,492,824	35,544,301	37,037,125	33,941,060


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

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet at 30 June 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	11		—		36
Investment properties	12		8,950,000		19,200,000
Listed investments	13		25,961,229		20,293,329
Total fixed assets			34,911,229		39,493,365
Current assets					
Debtors	14	138,441		44,032	
Short term deposits		865,848		475,182	
Cash at bank		1,228,003		158,958	
Total current assets		2,232,292		678,172	
Liabilities					
Creditors: amounts falling due within one year	15	(106,396)		(6,230,477)	
Net current assets (liabilities)			2,125,896		(5,552,305)
Total net assets			37,037,125		33,941,060
The funds of the charity					
Unrestricted funds					
. Accumulated income fund			1,492,824		303,366
Endowment fund			35,544,301		33,637,694
	16		37,037,125		33,941,060

Approved by the Governors
and signed on their behalf by:

Governor: 

Governor: 

Approved on: 7.12.16

Richard Reeve's Foundation - Company registration number 07226633 (England and Wales)

Statement of cashflows 30 June 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash used in ordinary operating activities	A	(444,762)	(572,190)
Cash transferred from Finsbury Educational Foundation	18	1,120,523	—
Net cash provided by (used in) operating activities		675,761	(572,190)
Cash flows from investing activities:			
Investment income		689,737	682,313
Proceeds from the disposal of investments and investment properties		7,569,861	15,149,155
Purchase of investments and investment properties		(11,953,866)	(10,343,152)
Net cash (used in) provided by investing activities		(3,694,268)	5,488,316
Change in cash and cash equivalents in the year		(3,018,507)	4,916,126
Cash and cash equivalents at 1 July	B	5,569,632	653,506
Cash and cash equivalents at 30 June	B	2,551,125	5,569,632

Notes to the statement of cash flows for the year to 30 June 2016:

A Reconciliation of net movement in funds to net cash used in ordinary operating activities

	2016 £	2015 £
Net movement in funds (as per the statement of financial activities)	3,096,065	10,446,114
Adjustments for:		
Transfer of assets from Finsbury Educational Foundation	(1,114,991)	—
Depreciation charge	36	437
Gains on listed investments and investment property	(1,624,340)	(10,457,624)
Investment managers' fee	12,228	15,831
Investment income	(805,820)	(632,697)
Decrease in debtors	21,674	104,539
Decrease in creditors	(29,614)	(48,790)
Net cash used in ordinary operating activities	(444,762)	(572,190)

B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,228,003	158,958
Short term deposits	865,848	475,182
Cash held by investment managers (note 13)	457,274	4,935,492
Total cash and cash equivalents	2,551,125	5,569,632

Principal accounting policies Year to 30 June 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 30 June 2016 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Reconciliation with previous Generally Accepted Accounting Practice (GAAP)

In preparing the financial statements, the Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) a restatement of comparative items was needed.

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net income (expenditure) for the year is provided with the net income (expenditure) under the previous GAAP adjusted for the presentation of investment gains (losses) as a component of reported income:

	2015
	£
Reconciliation of reported income:	
Net expenditure as previously stated	(11,508)
Adjustment for gains on investments now treated as a component of net income	501,756
Adjustment for revaluation of investment property now treated as a component of net income	9,955,866
2015 net income as restated	<u>10,446,114</u>

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments;
- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ estimating the market value of investment properties.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Governors of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 30 June 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Governors' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises rental income, dividends and interest received and other income.

Rental income is recognised in the period to which the income relates.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure comprises the following:

- a. The costs of raising 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.

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

Properties held for investment purposes are included in these financial statements at open market value. The valuation has been determined by the Governors, with professional assistance.

A desktop valuation of 40 Beak Street and 1/3 Upper James Street, was last made in July 2015. Governors are content that the current book values of both properties are realistic and, concurring with advice from Avison Young, agreed it would be better to wait until current activity (which should enhance freehold interest) is brought to fruition before conducting a full Red Book valuation.

Gain (loss) arising on property disposal is recognised through the statement of financial activities and is determined as the difference between the sales proceeds and the carrying value of the asset.

Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise).

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

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.

Notes to the financial statements 30 June 2016

1 Investment income

	Unrestricted funds £	Endowment fund £	2016 Total funds £	2015 Total funds £
Property rental income	162,209	—	162,209	128,757
Investment income	641,402	—	641,402	500,435
Bank deposit interest	2,209	—	2,209	3,505
2016 Total funds	805,820	—	805,820	632,697
2015 Total funds	632,697	—	632,697	

2 Other income

	Unrestricted funds £	Endowment fund £	2016 Total funds £	2015 Total funds £
Miscellaneous income	—	—	—	10,750
2016 Total funds:	—	—	—	10,750
2015 Total funds	10,750	—	10,750	

3 Cost of raising funds

	Unrestricted funds £	Endowment fund £	2016 Total funds £	2015 Total funds £
Costs of managing investment property	1,504	15,559	17,063	249,560
Costs of managing listed investments	—	83,366	83,366	28,120
2016 Total funds	1,504	98,925	100,429	277,680
2015 Total funds	102,858	174,822	277,680	

Notes to the financial statements 30 June 2016

4 Charitable activities

	Unrestricted funds £	Endowment fund £	2016 Total funds £	2015 Total funds £
Grant funding of activities (note 5)	246,808	—	246,808	280,119
Support costs				
Staff remuneration (note 9)	43,658	—	43,658	45,895
Premises costs	7,487	—	7,487	22,403
Office expenses	18,057	—	18,057	10,467
Professional fees	15,283	—	15,283	11,047
Governance costs (note 7)	17,364	—	17,364	7,344
	101,849	—	101,849	97,156
2016 Total funds	348,657	—	348,657	377,275
2015 Total funds	377,275	—	377,275	

5 Grant funding of activities

	2016 Number of grants to individuals	2016 £	2015 Number of grants to individuals	2015 £
Grants payable to organisations				
School Home Support				
. Camden Centre for Learning		20,439		20,439
. Support worker, Torriano Junior School		—		2,093
. Unlocking Potential: Hugh Myddelton School		—		13,626
. Partners in Learning		94,000		—
SHINE Trust				
. Hungerford Primary School		—		20,500
. Pakeman Primary School		—		60,000
. Partners in Learning		60,000		—
London Borough of Islington, Summer Reading		1,000		—
Progression into work:				
Camden Spear Trust		—		40,000
Islington Giving		43,000		—
The Prince's Trust		—		24,650
Young Enterprise		—		16,700
Heritage:				
Christ's Hospital		21,000		10,500
Protection & development:				
Street Kids		—		20,457
The Pirate Ship		—		7,000
		<u>239,439</u>		<u>235,965</u>
Less: Prior years' grants returned				
. The Pirate Ship		(17,636)		—
Total Grants to organisations		<u>221,803</u>		<u>235,965</u>
Grants payable to individuals attending:				
City University (block grant)	—	—	15	21,000
City and Islington College	100	21,000	98	21,000
Other grants payable to individuals				
To support them in education	5	4,005	4	2,154
Total grants payable to individuals	<u>105</u>	<u>25,005</u>	<u>117</u>	<u>44,154</u>
Total grants payable		<u>246,808</u>		<u>280,119</u>

Notes to the financial statements 30 June 2016

6 Grant commitments

At 30 June 2016 the charity had agreed in principle to make the following grants in future years:

	2016-17 £	2017-18 £	2018-19 £
Islington Giving	100,315	100,315	100,315
School-Home Support	151,439	130,000	130,000
SHINE	135,000	135,000	135,000
City University	20,100	25,000	25,000
	406,854	390,315	390,315

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

7 Governance costs

	2016 £	2015 £
Audit and accounting	7,627	7,197
Governors' travel expenses	109	147
Legal fees*	9,628	—
	17,364	7,344

*The legal fees included above were incurred in relation to the transfer of the assets and liabilities of Finsbury Educational Foundation to Richard Reeve's Foundation.

8 Net income (expenditure) before gains on investments

Net income before revaluations and investment asset disposals is stated after charging:

	2016 £	2015 £
Auditor's remuneration		
. Statutory audit		
-Current year charge	8,040	7,980
-Prior year over provision	(413)	(783)
. Accountancy services	11,726	7,232
. Taxation services	1,401	6,551
Staff costs (note 9)	43,658	45,895
Depreciation	36	437
Operating lease rentals	—	19,276

Notes to the financial statements 30 June 2016

9 Staff costs and remuneration of Governors and key management personnel

	2016 £	2015 £
Staff costs during the period were as follows:		
Wages and salaries	37,423	36,229
Social security costs	2,796	186
Pension costs	3,439	3,512
	<u>43,658</u>	<u>39,927</u>
Temporary staff	—	5,968
	<u>43,658</u>	<u>45,895</u>

The Foundation had one employee in the year (2015 - one). No employee earned £60,000 per annum or more during the year (2015 - none).

The Governors consider that they, together with the Clerk to the Governors, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £40,862 (2015 - £45,709).

No Governor has received any remuneration (directly or indirectly) from the Foundation (2015 - £nil). £109 expenses were reimbursed to one Governor for travel expenses during the year (2015 - £147 to one governor).

10 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.

11 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 July 2015 and 30 June 2016	<u>2,183</u>
Depreciation	
At 1 July 2015	2,147
Charge for the period	36
At 30 June 2016	<u>2,183</u>
Net book value	
At 30 June 2016	—
At 30 June 2015	<u>36</u>

Notes to the financial statements 30 June 2016

12 Investment properties

	2016 £	2015 £
At valuation		
At 1 July 2015	19,200,000	9,243,429
Additions at cost	—	705
Disposal (proceeds: £11,342,286; realised gains: £1,092,286)*	(10,250,000)	—
Revaluation during the year	—	9,955,866
At 30 June 2016	8,950,000	19,200,000

*Disposal in the year relates to the head lease in relation to 40 Beak Street.

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

	2016 £	2015 £
40 Beak Street	3,950,000	14,200,000
1/3 Upper James Street	5,000,000	5,000,000
	8,950,000	19,200,000

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.

13 Listed investments

	2016 £	2015 £
At 1 July	15,357,837	13,578,621
Additions	11,953,866	10,342,447
Disposals (proceeds: £2,327,574; realised losses: £177,544)	(2,505,118)	(8,641,690)
Investment managers' fees	(12,228)	(15,831)
Unrealised gains	709,598	94,290
Market value at 30 June	25,503,955	15,357,837
Cash held by investment manager for reinvestment	457,274	4,935,492
	25,961,229	20,293,329
Historical cost of listed investments at 30 June	24,378,494	19,246,430

Notes to the financial statements 30 June 2016

13 Listed investments (continued)

	Total 2016 £	Total 2015 £
Listed investments comprise:		
UK fixed interest	2,609,596	954,109
UK Equities	7,614,191	6,261,859
Overseas fixed interest	1,589,393	489,627
Overseas equities	10,069,198	5,035,189
Portfolio funds	685,008	647,703
Hedge funds	403,257	575,566
Property	1,044,784	1,028,661
Others	1,488,528	365,123
	25,503,955	15,357,837

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

Units	£	%
2,100,000 The Equity Income Trust for Charities	1,764,840	6.9

14 Debtors

	2016 £	2015 £
Interest and investment income	118,615	2,532
Other debtors and prepayments	19,826	41,500
	138,441	44,032

15 Creditors

	2016 £	2015 £
Grants payable	—	17,500
Other creditors	770	6,132,227
VAT payable	18,865	29,422
Accruals	39,572	19,139
Deferred income	47,189	32,189
	106,396	6,230,477

Other creditors for the year ended 30 June 2015 included 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 12).

16 Analysis of net assets between funds

	Unrestricted funds £	Endowment fund £	Total 30 June 2016 £
Fund balances at 30 June 2016 are represented by:			
Investment properties	—	8,950,000	8,950,000
Listed investments	—	25,961,229	25,961,229
Short term deposits	613,968	251,880	865,848
Other net current assets	878,856	381,192	1,260,048
	<u>1,492,824</u>	<u>35,544,301</u>	<u>37,037,125</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.

The total unrealised gains as at 30 June 2016 constitute movements on revaluation and are as follows:

	2016 £	2015 £
Unrealised gains included above:		
On investment properties	7,791,233	18,041,233
On listed investments	1,582,735	1,046,899
Total unrealised gains at 30 June	<u>9,373,968</u>	<u>19,088,132</u>
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 July	19,088,132	9,917,024
Less: in respect to disposals in the year	(10,423,762)	(879,048)
	8,664,370	9,037,976
Add: net gains arising on revaluation arising in the year	709,598	10,050,156
Total unrealised gains at 30 June	<u>9,373,968</u>	<u>19,088,132</u>

17 Lease commitments

As at 30 June 2016 the charity had no commitments (2015 – no commitments).

18 Finsbury Educational Foundation

The charity acts as corporate trustee of the Finsbury Educational Foundation, a registered charity (Charity Registration Number 312506). In accordance with a Charity Commission Scheme dated 17 June 2016, the property of Finsbury Educational Foundation will be administered as part of the Richard Reeve's Foundation with effect from 30 June 2016. As a result of this Scheme, the following assets and liabilities of the Finsbury Educational Foundation together with the activities were transferred to the Richard Reeve's Foundation on 30 June 2016:

	£
Cash at bank and in hand	1,120,523
Creditors falling due within one year	(5,532)
	<u>1,114,991</u>

The above transfer includes endowment funds of £381,192.

19 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.

20 Post balance sheet events

On 28 October 2016, the Foundation entered into an agreement with 1-3 Upper James St. Ltd for the surrender of the existing head lease of 1-3 Upper James Street and the granting of a new head lease for a term of 124 years. Completion of the agreement took place on 25 November 2016.