



Enabling  
young  
people to  
progress

## **Annual Report and Financial Statements**

30 June 2017

Charity Registration Number 1136337

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

## Contents

### Reports

Reference and administrative information about the charity and its advisers	1
Governors' annual report	3
Independent auditor's report	16

### Financial statements

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	22
Notes to the financial statements	26

## Reference and administrative information about the charity and its advisers

<b>Registered Company Number:</b>	07226633
<b>Registered Charity No:</b>	1136337
<b>Board of Governors:</b>	
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) Mrs Donna O'Neill (Appointed 17 May 2017) Dr Sotonye Odugbemi (Appointed 17 May 2017) Mr Nigel Thomson (Resigned 29 November 2016)
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 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 (Resigned 30 July 2017)
Co-opted: (5) (Term 5 years)	Mr Michael Bennett (Chairman) Mr Sylvan Dewing (Resigned 9 March 2017) Mrs Jo Emmerson (Appointed 1 August 2016) Mr Mark Jessett Mr John Tickle
<b>Clerk and Company Secretary:</b>	Mr Andrew Fuller
<b>Registered Office:</b>	13, Elliott's Place, London, N1 8HX
<b>Auditor:</b>	Buzzacott LLP 130, Wood Street London EC2V 6DL

## Reference and administrative information about the charity and its advisers

<b>Bankers:</b>	Lloyds Bank 1st Floor 39 Threadneedle Street London EC2R 8AU	Nationwide BS Kings Park Road Moulton Park Northampton NN3 6NW
<b>Solicitors:</b>	<b>Investment Property advice:</b> IBB Solicitors Capital Court 30 Windsor Street Uxbridge Middlesex UB8 1AB	<b>Charity advice:</b> Bond Dickinson LLP 4 More London Riverside London SE1 2AU
<b>Investment advisers:</b>	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA	Waverton Investment Management Ltd 16 Babmaes Street London SW1Y 6AH
<b>Investment property advisers:</b>	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 2017.

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 25 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)

### 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;
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 and other members of the Governance Committee, considers the skills and personal profile that would best contribute to the needs of the Foundation.

During the year, two new governors were nominated by the Churchwardens of the Ecclesiastical Parish of St Sepulchre-without-Newgate. Both replacements were selected by the Churchwardens using the Foundation's requirements for experience that would be relevant to helping 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.

## Structure, Governance and Management (continued)

### 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 three principal committees to better discharge functions relating to the administration and management of the Foundation:

1. Investment & Finance Committee – The purpose of this Committee is to advise the Board of Governors on the financial health of the charity, oversee the effective utilisation of the Foundation's financial assets, consider the adequacy of risk management as well as have responsibility for the external audit. The Committee meets at least four times a year.
2. Strategy Committee – Its purpose is to advise the Board of Governors on the Foundation's grant-making priorities and the strategy employed to achieve them, agree the main terms of each grant award, monitor and evaluate progress and achievements. The Committee meets at least four times a year.
3. Governance Committee – Its purpose is to keep under review the governance arrangements of the Foundation and ensure that the Foundation has a governance structure that is appropriate. The Committee meets as and when necessary.

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 has two key strategic aims:

#### 1. Raising Literacy & Numeracy

The target group consists of Early Years and Primary School children. The outcomes sought from projects we support are that every child achieves the standard set out in the National Curriculum, key stages 1 and 2. The focus is on primary schools where disadvantage, as measured by either the Free School Meal ratio or Pupil Premium Grant ratio, is in excess of 30%.

#### 2. Progression into Work

The target group comprises disadvantaged 16-24 year olds and others attending schools and higher and further education institutions. The primary objective of this strand of the Foundation's strategy is to support young people's progression into work, with an emphasis on enabling them to gain entry into sustainable employment that offers job satisfaction, retention and the prospect of career progression and self-improvement.

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:

#### 3. Music

Our aim is to reach some of the most disadvantaged children by supporting programmes in primary schools to increase both the level and quality of music provision and support those who wish to study music and achieve musical progression. The future focus of this strand is currently under review.

#### 4. Maintenance Grants (Continuity item)

In recognition of the Foundation's historical focus on providing maintenance grants to students whose financial situation threatens their continued attendance on their course, an annual block grant is given to City & Islington College and City University to disburse to students in need. The grant to City University is for the benefit of NHS students only.

## Objectives and activities (continued)

### Grant making – our strategic focus (continued)

#### 5. Christ's Hospital (Heritage item)

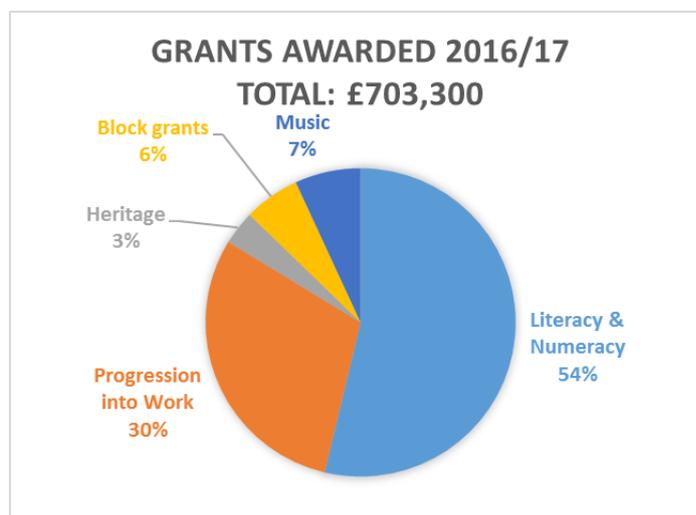
The Foundation has been closely associated with Christ's Hospital (the Bluecoat School) for over 100 years and makes an annual grant to support the school. This enables the Foundation to sponsor one child from a disadvantaged background (a presentee), to attend the school, from any primary school in Islington, Camden or the City. In addition, a support grant for clothing, equipment, trips, etc. is made to help support current Richard Reeve's presentees.

## Achievements and performance

The focus of the Board of Governors continued to be implementation of its strategy approved in Summer 2015, 'A Framework for Giving', which identified two main areas of strategic focus – Literacy & Numeracy and Progression into Work – plus heritage and continuity items. Music was added as a minor activity strand following the merger of Finsbury Educational Foundation with Richard Reeve's Foundation on 30 June 2016. The future focus of this activity is under review.

The Foundation's resources available for grant-giving, have significantly increased during the course of the last two years, mainly as a result of beneficial endowment property transactions. As recently as 2014, the Foundation's income was £487,000 with £278,000 given in grants, whereas for the current year, income exceeded £1.1m with approximately £703,000 awarded in grants. We expect to have similar disposable income in the coming year.

In total, grants were awarded to 16 organisations (2015/16: 6) and 114 grants (2015/16: 105) made through our block grant strand, to individuals. The majority of this was spent on 'Literacy & Numeracy' projects £377,994 on 8 projects (2015/16: £175,439 on 4 projects) and £210,961 on 4 projects (2015/16: £43,000 on 1 project) on 'Progression into Work'.



## Achievements and performance (continued)

### **Raising Literacy & Numeracy**

The Foundation's 'Partners in Learning' project with SHINE and School Home Support (SHS) continues to be successful and valued by the seven Islington Primary Schools. The combination of the SHINE on Saturday School with SHS practitioners provides an invaluable link between SHINE, the parents and the feeder schools, as evidenced by the better than expected progress made in the core academic subjects by the vast majority of students.

By early Summer it became clear that despite enthusiastic take-up by Islington primary schools and concerted promotion to schools in Camden, SHINE and SHS were unable to recruit a partnership of Camden primary schools to join the 'Partners in Learning' project. This lack of demand was disappointing but was replaced by a new programme in January 2017, 'Hegarty Maths', which aims to embed the new Hegarty Maths online platform to improve maths outcomes for Y6 students in six primary schools with high Free School Meal eligibility in Camden. So far, the project has made a very significant impact on students' ability to learn effectively at school and at home, including the ability to help parents help with homework and the ability to help teachers.

A capital grant of £45,000 was made to Rhyl Primary School to develop a kitchen classroom, a brand new educational venue set in the grounds of Rhyl Primary School in NW5. This classroom will be used for delivering hands-on food education as a tool to improve literacy, numeracy and scientific skills. It is also a key approach for developing language and communication, as well as improving health outcomes in later life. The building will be self-contained, allowing use both by Rhyl's parents and children but also by partner schools and the wider community.

### **Progression into Work**

It has been considerably harder to find partners that can help us achieve our aim of 'Progression into Work', but we have been pleased to augment a successful mentoring project in Islington, by extending the programme from September 2016 into four Camden secondary schools.

In January 2017, the Foundation commissioned a strategic review of its Progression into Work priority, which aimed to identify how we could strengthen our grant-making strategy so as to achieve more concrete employment outcomes and ensure significant impact is achieved over the next 3-5-year period. The outcome of this review was a decision to focus on careers education and guidance in all secondary schools in Camden and Islington and to stimulate and support increased opportunities for young people to 'earn while they learn' to enhance employability and strengthen progression pathways.

## Plans for the future

The ambition for Government and third sector organisations alike is to get more young people, particularly from disadvantaged backgrounds, into worthwhile employment, i.e. employment that offers job satisfaction, retention and prospects of career progression and self-improvement.

Our income flow, if maintained at the present level, represents a huge opportunity for the Foundation to make a greater contribution in the years to come.

In September 2017, the Board of Governors approved implementation of a new Progression into Work strategy encompassing the following programme strands:

- Careers Education & Guidance Programme – ensure that all secondary schools in Camden and Islington provide a good standard of careers education and guidance, with a structured and systematic approach, that prepares all students effectively for the world of work;
- ‘Earn while you Learn’ Grants Programme – engaging young people in paid work experience, paid internships and apprenticeships.

Both programmes will be launched Autumn 2017, applications invited and decisions made in March 2018.

In April 2017, SHINE informed us that they are shifting their focus to the north of England, where there is greater need for their services. Our Partners in Learning project concludes in Summer 2019 and they have confirmed they will continue their support until then, but would also be happy for us to take oversight earlier if we wished. Discussions have commenced since the year end.

## Investment activity and performance

The charity's investment policy is set out on page 14.

The year to 30 June 2017 was a period of further progress for the Foundation's assets and the income that they generated. The maintenance of low interest regimes in major economies supported higher market valuations; indeed, politics and central bank activity were key determinants of market behaviour.

The UK's European referendum result a year ago dramatically influenced domestic share prices largely through the translation effect of Sterling's fall against major currencies. In the early part of the year Government bond yields were pushed lower, some even into negative territory. The election of a new US president with a pro-business agenda prompted a 'reflation rally' which strengthened equity prices and the US dollar and led to a cooling in the gold, bond and Asian markets. Even the Federal Reserve's 0.25% December increase in rates proved more of an endorsement of economic progress than a dampener.

The March quarter's returns were also positive helped by good returns from Asian and Emerging Market equities which rebounded as fear of US protectionist policies receded a little. UK shares improved further although reasons for caution were ever present, particularly when the UK General Election produced a minority government and progress on Brexit talks seemed ponderous. For the future, rising inflation expectations will once more be added to investors' concerns after a prolonged period of price restraint.

In all, we benefited from excellent equity returns ranging from +18% in the UK to between +20%-30% in overseas markets while government bond markets struggled to produce positive returns.

Our property investments again provided a source of stability with the indirect holdings producing returns in excess of 8%. Of our two directly held assets, 40 Beak St is well advanced in its development by the head lessee and is due for completion in 2018. A new lease on the adjacent building at 1/3 Upper James Street was granted in October 2016 which is coterminous with the head lease on 40 Beak Street and which provides for a return of 10% of rents receivable. The event provided the Foundation with a premium of £1.16m which was added to existing portfolios.

## Investment activity and performance (continued)



### Financial review

The Foundation's results for the year are set out in the statement of financial activities on page 19.

Gross income generated from investments during the year amounted to £1,109,864, an increase of 37% from the previous year. Operational costs were tightly controlled which enabled the Foundation to restrict the operating ratio to 9%. Total expenditure before grants rose to £224,485 (2016: £202,278) while the remaining funds available for grant giving rose to £885,379 (2016: £603,542).

A full listing of grants awarded in the year is shown in note 4 of the financial statements. The Foundation awarded grants totalling £703,300 (2016: £246,808) during the year. The balance left unspent at 30 June increased the amount of previously unspent reserves, which has been the focus of the Foundation's deliberations on developing its Progression into Work strategy, as described on page 10. Subject to successful negotiations with suppliers, we expect the cumulative surplus to be expended over the next few years.

As explained above, the value of our direct property holdings are subject to development activity and other discussions. While our advisers remain satisfied that the current market values are realistic, a full revaluation will take place on both properties once current activity has been concluded.

Overall, net assets totalled £42,528,976 (2016: £37,037,125).

## Financial review (continued)

### 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 2017, the free reserves of the Foundation stood at £1,804,118 (2016: £1,492,824). 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 and have earmarked £1,128,616 for future grants subject to conditions being met (see note 5). Once this process is complete, the reserves policy 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.
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.

## Financial review (continued)

### Investment policy (continued)

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.

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;

### Statement of Governors' responsibilities (continued)

- ◆ 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.

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: John Tickle

Governor: Michael Bennett

Approved on: 6 December 2017

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

### **Opinion**

We have audited the financial statements of Richard Reeve's Foundation (the 'charitable company') for the year ended 30 June 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**Conclusions relating to going concern** (continued)

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

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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

**Matters on which we are required to report by exception** (continued)

- ◆ 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption and from the requirement to prepare a strategic report.

**Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

7 December 2017

## Statement of financial activities Year to 30 June 2017

	Notes	Unrestricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
<b>Income</b>					
Investment income	1	1,109,864	—	<b>1,109,864</b>	805,820
<b>Total income</b>		<b>1,109,864</b>	<b>—</b>	<b>1,109,864</b>	805,820
<b>Expenditure</b>					
Cost of raising funds	2	—	129,215	<b>129,215</b>	100,429
Expenditure on charitable activities	3	798,570	—	<b>798,570</b>	348,657
<b>Total expenditure</b>		<b>798,570</b>	<b>129,215</b>	<b>927,785</b>	449,086
<b>Net income (expenditure) before gains on investments</b>					
		311,294	(129,215)	<b>182,079</b>	356,734
Net gains on listed investments	12	—	3,872,772	<b>3,872,772</b>	532,054
Realised gains on disposal of investment property	11	—	—	—	1,092,286
Revaluation of investment property	11	—	1,437,000	<b>1,437,000</b>	—
<b>Net income for the year</b>		<b>311,294</b>	<b>5,180,557</b>	<b>5,491,851</b>	1,981,074
Transfer of assets from Finsbury Educational Foundation	17	—	—	—	1,114,991
<b>Net movement in funds for the year</b>		<b>311,294</b>	<b>5,180,557</b>	<b>5,491,851</b>	3,096,005
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 July		1,492,824	35,544,301	<b>37,037,125</b>	33,941,060
Balances carried forward at 30 June		<b>1,804,118</b>	<b>40,724,858</b>	<b>42,528,976</b>	37,037,125

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 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	10		—		—
Investment properties	11		<b>9,227,000</b>		8,950,000
Listed investments	12		<b>32,149,535</b>		25,961,229
<b>Total fixed assets</b>			<b>41,376,535</b>		34,911,229
<b>Current assets</b>					
Debtors	13	<b>1,903</b>		138,441	
Short term deposits		<b>1,279,993</b>		865,848	
Cash at bank		<b>22,537</b>		1,228,003	
<b>Total current assets</b>		<b>1,304,433</b>		2,232,292	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<b>(151,992)</b>		(106,396)	
<b>Net current assets</b>			<b>1,152,441</b>		2,125,896
<b>Total net assets</b>			<b>42,528,976</b>		37,037,125
<b>The funds of the charity</b>					
Unrestricted funds					
. Accumulated income fund			<b>1,804,118</b>		1,492,824
Endowment fund			<b>40,724,858</b>		35,544,301
	15		<b>42,528,976</b>		37,037,125

Approved by the Governors  
and signed on their behalf by:

Governor: John Tickle

Governor: Michael Bennett

Approved on: 6 December 2017

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

## Statement of cashflows 30 June 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash used in ordinary operating activities	A	(852,898)	(444,762)
Cash transferred from Finsbury Educational Foundation	17	—	1,120,523
<b>Net cash (used in) provided by operating activities</b>		<b>(852,898)</b>	<b>675,761</b>
<b>Cash flows from investing activities:</b>			
Investment income		1,228,479	689,737
Proceeds from the disposal of investments and investment properties		5,602,974	7,569,861
Purchase of investments and investment properties		(6,223,795)	(11,953,866)
<b>Net cash provided by (used in) investing activities</b>		<b>607,658</b>	<b>(3,694,268)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(245,240)</b>	<b>(3,018,507)</b>
<b>Cash and cash equivalents at 1 July</b>	B	<b>2,551,125</b>	<b>5,569,632</b>
<b>Cash and cash equivalents at 30 June</b>	B	<b>2,305,885</b>	<b>2,551,125</b>

### Notes to the statement of cash flows for the year to 30 June 2017:

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

	2017 £	2016 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>5,491,851</b>	<b>3,096,065</b>
<b>Adjustments for:</b>		
Transfer of assets from Finsbury Educational Foundation	—	(1,114,991)
Depreciation charge	—	36
Gains on listed investments and investment property	(5,309,772)	(1,624,340)
Investment managers' fee	11,368	12,228
Investment income	(1,109,864)	(805,820)
Decrease in debtors	17,923	21,674
Increase (decrease) in creditors	45,596	(29,614)
<b>Net cash used in ordinary operating activities</b>	<b>(852,898)</b>	<b>(444,762)</b>

#### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	22,537	1,228,003
Short term deposits	1,279,993	865,848
Cash held by investment managers (note 12)	1,003,355	457,274
<b>Total cash and cash equivalents</b>	<b>2,305,885</b>	<b>2,551,125</b>

## Principal accounting policies Year to 30 June 2017

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 2017 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.

### **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 2018, 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.

## Principal accounting policies Year to 30 June 2017

### **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 concur with advice from professional advisors Avison Young.

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 is 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.

## **Principal accounting policies** Year to 30 June 2017

### **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, as part of unrestricted funds, represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Foundation's charitable objects.

**1 Investment income**

	Unrestricted funds £	Endowment fund £	2017 Total funds £	2016 Total funds £
Property rental income	234,292	—	<b>234,292</b>	162,209
Investment income	875,061	—	<b>875,061</b>	641,402
Bank deposit interest	511	—	<b>511</b>	2,209
<b>2017 Total funds</b>	<b>1,109,864</b>	<b>—</b>	<b>1,109,864</b>	<b>805,820</b>
2016 Total funds	805,820	—	805,820	

**2 Cost of raising funds**

	Unrestricted funds £	Endowment fund £	2017 Total funds £	2016 Total funds £
Costs of managing investment property	—	33,236	<b>33,236</b>	17,063
Costs of managing listed investments	—	95,979	<b>95,979</b>	83,366
<b>2017 Total funds</b>	<b>—</b>	<b>129,215</b>	<b>129,215</b>	<b>100,429</b>
2016 Total funds	1,504	98,925	100,429	

**3 Charitable activities**

	Unrestricted funds £	Endowment fund £	2017 Total funds £	2016 Total funds £
<b>Grant funding of activities (note 4)</b>	<b>703,300</b>	<b>—</b>	<b>703,300</b>	246,808
<b>Support costs</b>				
Staff remuneration (note 8)	44,551	—	<b>44,551</b>	43,658
Premises costs	7,200	—	<b>7,200</b>	7,487
Office expenses	12,458	—	<b>12,458</b>	18,057
Professional fees	21,701	—	<b>21,701</b>	15,283
Governance costs (note 6)	9,360	—	<b>9,360</b>	17,364
	<b>95,270</b>	<b>—</b>	<b>95,270</b>	101,849
<b>2017 Total funds</b>	<b>798,570</b>	<b>—</b>	<b>798,570</b>	<b>348,657</b>
2016 Total funds	348,657	—	348,657	

**4 Grant funding of activities**

	2017 Number of grants to individuals	2017 £	2016 Number of grants to individuals	2016 £
<b>Grants payable to organisations</b>				
<b>Literacy and numeracy:</b>				
School Home Support				
. Camden Centre for Learning		20,439		20,439
. Partners in Learning		141,000		94,000
SHINE Trust				
. Partners in Learning		90,000		60,000
Hegarty Maths		47,000		—
Rhyl Primary School		45,000		—
The Shakespeare Globe Trust		21,555		—
Ampersand Learning		12,000		—
London Borough of Islington, Summer Reading		1,000		1,000
<b>Progression into work:</b>				
Islington Giving		100,315		43,000
BIG Alliance		50,000		—
Elfrida Rathbone Camden		38,665		—
Centrepoint		21,981		—
<b>Heritage:</b>				
Christ's Hospital		21,000		21,000
<b>Music:</b>				
Drake Music		21,420		—
Camden Music Trust		11,825		—
The Musicians' Company		15,000		—
		<b>658,200</b>		239,439
Less: Prior years' grants returned				
.The Pirate Ship		—		(17,636)
<b>Total Grants to organisations</b>		<b>658,200</b>		<b>221,803</b>
<b>Grants payable to individuals attending:</b>				
City University (block grant)	19	20,100	—	—
City and Islington College	95	21,000	100	21,000
<b>Other grants payable to individuals</b>				
To support them in education	8	4,000	5	4,005
<b>Total grants payable to individuals</b>	<b>122</b>	<b>45,100</b>	<b>105</b>	<b>25,005</b>
<b>Total grants payable</b>		<b>703,300</b>		<b>246,808</b>

**5 Grant commitments**

At 30 June 2017 the charity had agreed in principle to make the following grants in future years:

	<b>2017-18</b>	2018-19	2019-20
	£	£	£
Islington Giving	<b>100,315</b>	100,315	—
School-Home Support	<b>145,439</b>	145,439	—
SHINE	<b>90,000</b>	90,000	—
BIG Alliance	<b>50,000</b>	50,000	—
Hegarty Maths	<b>47,000</b>	47,000	—
Elfrida Rathbone Camden	<b>37,392</b>	—	—
City University	<b>25,000</b>	25,000	—
Christ's Hospital	<b>25,000</b>	25,000	—
Centrepont	<b>22,380</b>	22,789	—
The Shakespeare Globe Trust	<b>22,204</b>	22,868	—
Camden Music Trust	<b>11,825</b>	11,825	11,825
	<b>576,555</b>	540,236	11,825

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.

**6 Governance costs**

	<b>2017</b>	2016
	£	£
Audit and accounting	<b>7,069</b>	7,627
Governors' travel expenses	<b>83</b>	109
Legal fees	<b>2,208</b>	9,628
	<b>9,360</b>	17,364

**7 Net income before gains on investments**

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

	<b>2017</b>	2016
	£	£
Auditor's remuneration		
. Statutory audit		
-Current year charge	<b>8,220</b>	8,040
-Prior year over provision	<b>(1,151)</b>	(413)
. Accountancy services	<b>10,331</b>	11,726
. Taxation services	<b>2,313</b>	1,401
Staff costs (note 8)	<b>44,551</b>	43,658
Depreciation	—	36

**8 Staff costs and remuneration of Governors and key management personnel**

	2017 £	2016 £
Staff costs during the period were as follows:		
Wages and salaries	39,669	37,423
Social security costs	1,379	2,796
Pension costs	3,503	3,439
	<b>44,551</b>	<b>43,658</b>

The Foundation had one employee in the year (2016 - one). No employee earned £60,000 per annum or more during the year (2016 - 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 £43,172 (2016 - £40,862).

No Governor has received any remuneration (directly or indirectly) from the Foundation (2016 - £nil). £83 was reimbursed to one Governor for conference call expenses during the year (2016 - £109 to one governor for travel expenses).

**9 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.

**10 Tangible fixed assets**

	Furniture and equipment £
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	<b>2,183</b>
<b>Depreciation</b>	
At 1 July 2016 and 30 June 2017	<b>2,183</b>
<b>Net book value</b>	
<b>At 30 June 2017</b>	—
At 30 June 2016	—

## Notes to the financial statements 30 June 2017

### 11 Investment properties

	2017 £	2016 £
<b>At valuation</b>		
At 1 July	<b>8,950,000</b>	19,200,000
Disposal (proceeds: £1,160,000)	<b>(1,160,000)</b>	(10,250,000)
Revaluation during the year	<b>1,437,000</b>	—
At 30 June	<b>9,227,000</b>	8,950,000

\*Disposal in the year relates to granting of a longer lease on 1/3 Upper James Street (2016 – disposal of 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 2017, as follows:

	2017 £	2016 £
40 Beak Street	<b>3,950,000</b>	3,950,000
1/3 Upper James Street	<b>5,277,000</b>	5,000,000
	<b>9,227,000</b>	8,950,000

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.

### 12 Listed investments

	2017 £	2016 £
At 1 July	<b>25,503,955</b>	15,357,837
Additions	<b>6,223,795</b>	11,953,866
Disposals (proceeds: £4,442,974 realised gains: £181,429 )	<b>(4,261,545)</b>	(2,505,118)
Investment managers' fees	<b>(11,368)</b>	(12,228)
Unrealised gains	<b>3,691,343</b>	709,598
Market value at 30 June	<b>31,146,180</b>	25,503,955
Cash held by investment manager for reinvestment	<b>1,003,355</b>	457,274
	<b>32,149,535</b>	25,961,229
Historical cost of listed investments at 30 June	<b>26,977,186</b>	24,378,494

**12 Listed investments (continued)**

	Total 2017 £	Total 2016 £
<b>Listed investments comprise:</b>		
UK fixed interest	3,200,965	2,609,596
UK Equities	7,913,792	7,614,191
Overseas fixed interest	798,439	1,589,393
Overseas equities	15,077,111	10,069,198
Portfolio funds	952,645	685,008
Hedge funds	292,300	403,257
Property	1,188,461	1,044,784
Others	1,722,467	1,488,528
	<b>31,146,180</b>	<b>25,503,955</b>

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

Units	£	%
2,100,000 The Equity Income Trust for Charities	2,031,960	6.5

**13 Debtors**

	2017 £	2016 £
Interest and investment income	—	118,615
Other debtors and prepayments	1,903	19,826
	<b>1,903</b>	<b>138,441</b>

**14 Creditors**

	2017 £	2016 £
Grants payable	45,000	—
Other creditors	5,145	770
VAT payable	9,127	18,865
Accruals	42,496	39,572
Deferred income	50,224	47,189
	<b>151,992</b>	<b>106,396</b>

**15 Analysis of net assets between funds**

	Unrestricted funds £	Endowment fund £	Total £
<b>Fund balances at 30 June 2017 are represented by:</b>			
Investment properties	—	9,227,000	<b>9,227,000</b>
Listed investments	651,677	31,497,858	<b>32,149,535</b>
Short term deposits	1,279,993	—	<b>1,279,993</b>
Other net current liabilities	(127,552)	—	<b>(127,552)</b>
	<u>1,804,118</u>	<u>40,724,858</u>	<b><u>42,528,976</u></b>

**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 constitute movements on revaluation and are as follows:

	2017 £	2016 £
<b>Unrealised gains included above:</b>		
On investment properties	<b>8,068,233</b>	7,791,233
On listed investments	<b>5,172,349</b>	1,582,735
<b>Total unrealised gains at 30 June</b>	<b><u>13,240,582</u></b>	<u>9,373,968</u>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 July	<b>9,373,968</b>	19,088,132
Less: in respect to disposals in the year	<b>(101,729)</b>	(10,423,762)
	<b>9,272,239</b>	8,664,370
Add: net gains arising on revaluation arising in the year	<b>3,968,343</b>	709,598
<b>Total unrealised gains at 30 June</b>	<b><u>13,240,582</u></b>	<u>9,373,968</u>

**16 Lease commitments**

As at 30 June 2017 the charity had no commitments (2016 – £nil).

**17 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 has been 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:

**Notes to the financial statements** 30 June 2017

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

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

**18 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.