

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019



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Trustees	A C Ford (Chairman) P R Holcroft Mrs L Stuttford A E Fanshawe D W Byam-Cook C A G Bennett J F M Rodwell (Retired January 2019) G R S Broke (Retired September 2018)
Company Secretary	M Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of The Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets and its subsidiary companies, which together with the Foundation comprise the Group, in order to make grants to UK registered charities out of the Group's income.

Grants were made during the year to 265 (2018 - 358) charities totalling £760,764 (2018 - £907,453).

The Hedley Foundation aims to improve the quality of life of people in the United Kingdom, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to United Kingdom registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers.

The Trustees award grants to those charities (never individuals) that are able to demonstrate quantifiable outcomes to beneficiaries. The Foundation tends not to give money to very large scale or national charities nor to support bids for salaries, buildings or IT. Typically, sums of £3K - £5K are regularly given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments but multi-year grants are selectively awarded and in these cases are subject to annual review. Further applications from the same organisation will not normally be considered for a period of two years from the date of the grant. Acknowledgements are expected from the recipient charities and follow-up visits by Trustees occur periodically. It is anticipated that £800K will be dispersed in FY2019/20.

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio and from rents generated from a number of retail shops (also professionally managed). Applications for grants are submitted to the Foundation's Office and these are periodically considered at a Trustees' Sift Board, which makes recommendations for payments to the Main Board of Trustees, which convenes a fortnight later.

Social welfare lies at the heart of The Hedley Foundation's activities and for convenience the following categories are used:

- Youth. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.
- Disabled. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.
- Elderly/Terminally Ill. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.
- Miscellaneous Support. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending. A major theme for support, presently, is to help keep young people out of the Criminal Justice System.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

Applicants submit a detailed application form, stating clearly the sum they seek and articulating precisely how they would wish to use any grant made. They also are asked to provide their latest audited Accounts. At least two of the Trustees then assess the bid at a Sift Board and make recommendations to the Main Board of Trustees. The Foundation encourages successful applicants to give feedback and in many cases future relationships are developed. Follow-up visits are occasionally made to see the effect that a grant will have made but clearly the Foundation does not have the resources to carry out detailed analysis of the success of all grants made; the Trustees are generally satisfied that grants are being well used. The Foundation requires the recipient to send a letter of acknowledgement, together with a formal receipt, after the making of any grant.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up.

At 31 March 2019, there were 6 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company.

The Trustees met formally on six occasions during the year to review the progress of the Foundation's investment policy and its financial state and to conduct Board Meetings of the subsidiary companies of which they are Directors. Applications for grants received by the Foundation and decisions on the application of the money available are administered by a separate 'Sift' Board, incorporating an element of rotating membership, which meets prior to each full meeting of all the Trustees.

Trustees have individually visited many charities to which the Foundation might make or has made grants.

New Trustees are appointed by the existing Trustees. Mr John Rodwell retired as the Chairman and Trustee of The Foundation in January 2019 and Mr Robin Broke retired as a Trustee in September 2018. Sir Andrew Ford GCVO was appointed as Chairman in January 2019.

Recommendations for pay and remuneration are made to a sub Committee of the Trustees and Directors of the subsidiary companies (see below). The sub Committee then makes its own recommendations to the full Board of The Foundation which makes the final decision. Recommendations for pay and remuneration take into consideration many benchmarks including the remuneration levels paid by similar Third Sector organisations and the CPI.

Review of the Business and Future Developments

The results for the year are set out on page 10 of the Financial Statements. The net movement in funds for the year amounted to a movement of £458,523 compared to a movement of £49,215 in the prior year.

The following companies are wholly owned subsidiaries of the Foundation:

Company

Fairhood Properties Limited
Merewood Properties Limited
Mountbarrow Properties Limited
Middlerigg Nominees Limited
Middlerigg Services Limited

Principal Activity

Management of investment properties
Management of investment properties
Management of investment properties
Nominee company
Management services company

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in July 2015 to take account of Financial Reporting Standard 102. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

During 2018, the Trustees decided to purchase Rutland Hall (a derelict building in Sheffield) for the purpose of letting it to In2Change, a charity dedicated to supporting Police, schools, community groups and parents in their efforts to divert young people from the road to custody. The Hedley Foundation spent £232k purchasing the building and a further £150k on refurbishing it. A return on investment is expected to commence in 2020.

Financial Instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. In order to minimise the risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

Reserves Policy

The Foundation has net assets of £36,588,916 at 31 March 2019 all of which are unrestricted. Of these net assets, £36,793,270 could only be realised by disposing of fixed assets (£10,800,840 investment properties, £20,681,446 listed investments and £5,310,984 investment in subsidiaries). Therefore, as at 31 March 2019 the Foundation has net current liabilities of £204,354.

Unrestricted free reserves at the consolidated level at 31 March 2019 are £1,906,630. The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The current level of consolidated free reserves at 31 March 2019 is in line with this target, representing 17 months of operating and grant-making expenditure.

The Trustees intend to award budgeted grants for the next financial year in the region of £800k, but this amount is reviewed by the Trustees at each Sift Meeting. The Foundation does not enter into any contractual arrangements with beneficiaries as to future levels of funding. A small number of pledges are made, but the progress of these are individually reviewed on a regular basis by the Trustees.

Investment Policy

The policy of the Foundation is to combine security with higher than average income by investment, partly in let retail property and partly in a managed portfolio of investments.

In respect of the managed portfolio, the current annual yield is 2% (2018 - 2%).

In respect of the retail property portfolio, the current annual yield is 6% (2018 - 6%).

In respect of the Charities Property Fund, the current annual yield is 4.2%.

The rental income derived from the retail properties and the dividends are utilised, after expenses, for the Foundation's grant-making process.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Foundation faces and confirm that systems have been established to mitigate the Foundation's exposure to such risks. The annual cost base for the Foundation is relatively low, with more than twelve month's running costs available.

The Trustees consider that a significant fall in the value of the stock market, or the failure of tenants to pay their rents, to be the key risks which could affect the future of ability of The Foundation to make grants.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £1,906 (2018 - £1,891).

Trustees' Responsibilities

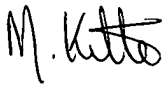
The Statement of Trustees' Responsibilities can be found on page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M. Kitto', is written over a small, faint circular stamp.

M Kitto
Secretary

18 September 2019

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in July 2015 and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of The Hedley Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent Charitable Company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 Report of the Trustees (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Directors' 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 group and parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charitable Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charitable Company's members and Trustees 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 and the Charitable Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: *1 October 2019*

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

		Unrestricted Funds	
	Note	2019	2018
		£	£
Income from:			
Income from investment properties	1	702,602	734,480
Income from Investment portfolios	2	434,851	399,143
Other trading activities - subsidiary companies	25	211,484	193,160
Other Income			
		<hr/>	<hr/>
Total Income		1,348,937	1,326,783
		<hr/>	<hr/>
Expenditure on:			
Raising funds	3	357,636	318,587
Charitable activities	4	834,637	966,402
Other - on charitable trading	25	115,303	107,787
Transfer of minority interest	19	-	-
		<hr/>	<hr/>
Total Expenditure		1,307,576	1,392,776
		<hr/>	<hr/>
Net income / (expenditure)		41,361	(65,993)
		<hr/>	<hr/>
Net realised and unrealised gains / (loss) on investment assets	8	1,267,162	210,208
Unrealised losses on revaluation of investment properties		(850,000)	(95,000)
		<hr/>	<hr/>
Net Movement in Funds		458,523	49,215
		<hr/>	<hr/>
Fund balances brought forward		36,130,393	36,081,178
		<hr/>	<hr/>
Fund balances carried forward		36,588,916	36,130,393
		<hr/>	<hr/>

All of the above results are derived from continuing activities. The Charitable Company and its subsidiaries have no gains and losses other than those shown above.

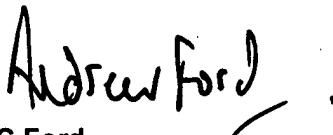
In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

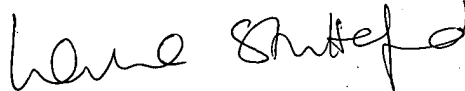
The Accounting Policies and Notes on pages 13 to 27 form part of these Financial Statements.

	Note	Consolidated		Company	
		2019	2018	2019	2018
		£	£	£	£
Fixed Assets					
Investment properties	12	14,000,840	14,475,000	10,800,840	11,150,000
Investments	13	20,681,446	20,749,732	25,992,430	26,219,488
		<u>34,682,286</u>	<u>35,224,732</u>	<u>36,793,270</u>	<u>37,369,488</u>
Current Assets					
Debtors	14	124,789	47,912	429,372	349,908
Cash at bank and in hand	15	2,054,129	1,123,751	2,036,149	1,045,214
		<u>2,178,918</u>	<u>1,171,663</u>	<u>2,465,521</u>	<u>1,395,122</u>
Creditors: amounts falling due within one year	16	(272,288)	(266,002)	(2,669,875)	(2,634,217)
Net Current Assets / (Liabilities)		<u>1,906,630</u>	<u>905,661</u>	<u>(204,354)</u>	<u>(1,239,095)</u>
Net Assets		<u>36,588,916</u>	<u>36,130,393</u>	<u>36,588,916</u>	<u>36,130,393</u>
General Funds					
Charitable funds		31,277,932	30,652,304	31,277,932	30,660,637
Non-charitable investment/trading company funds		5,310,984	5,478,089	5,310,984	5,469,756
Minority interest	19	-	-	-	-
Total Funds	18	<u>36,588,916</u>	<u>36,130,393</u>	<u>36,588,916</u>	<u>36,130,393</u>

These Financial Statements were approved and authorised for issue by the Board of Trustees on 18 September 2019.

Signed on behalf of the Board of Trustees


A C Ford
Chairman


L B Stuttford
Trustee

The Accounting Policies and Notes on pages 13 to 27 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2019

	Note	2019 £	2018 £
Cash (outflow) / inflow from operating activities	21	(29,229)	34,129
Net cash flow used in operating activities		<u>(29,229)</u>	<u>34,129</u>
Cash flow from investing activities			
Payments to acquire investment property		(375,840)	(770,000)
Receipts from sales of investment property		-	910,000
Payments to acquire investments		(6,958,760)	(5,763,805)
Receipts from sales of investments		8,294,206	5,389,990
Net cash flow provided by investing Activities		<u>959,606</u>	<u>(233,815)</u>
Change in cash and cash equivalents In the year		<u>930,377</u>	<u>(199,687)</u>
Cash and cash equivalents at 1 April 2018		1,123,752	1,323,438
Cash and cash equivalents at 31 March 2019		<u>2,054,129</u>	<u>1,123,751</u>
Cash and cash equivalents consist of:			
Current accounts		124,138	313,695
Deposit accounts		523,698	223,434
Cash at Investment Managers		1,406,293	586,622
Cash and cash equivalents at 31 March 2019		<u>2,054,126</u>	<u>1,123,751</u>

The Accounting Policies and Notes on pages 13 to 27 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The charity constitutes a public benefit entity as defined by FRS 102. 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and Investment Properties, which are included on the basis of annual valuations.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Charity to continue as a going concern and there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Income Recognition (continued)

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support Costs Allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Assets held for sale (being actively marketed and expected to be disposed within 12 months of the Balance Sheet date) are measured at valuation (or sale price if this is known) and shown within current assets on the Balance Sheet.

Investments**Subsidiary Companies**

Investments in subsidiary companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, management seeks the help of an expert in this area and considers, amongst other things the expected rental yields, valuation of other properties in the immediate vicinity of the property and the condition of the building.

1. Income from investment properties				Company 2019 £	Company 2018 £
Rental Income				702,602	734,480
				<u>702,602</u>	<u>734,480</u>
2. Income from Investments				Group 2019 £	Group 2018 £
Income from Managed Portfolio				386,356	355,424
Interest				2,567	435
Other investment income				45,928	43,284
				<u>434,851</u>	<u>399,143</u>
Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.					
3. Expenditure on raising funds				Group 2019 £	Group 2018 £
Management of investment properties				180,863	144,072
Investment Management fees				176,773	174,515
				<u>357,636</u>	<u>318,587</u>
4. Analysis of expenditure on charitable activities					
	Staff £	Direct costs £	Support costs £	Group 2019 Total £	Group 2018 Total £
Grant making	21,419	760,764	52,455	834,637	966,402
	<u>21,419</u>	<u>760,764</u>	<u>52,455</u>	<u>834,637</u>	<u>966,402</u>

5. Support Costs	Basis of Allocation	Investment Properties £	Grant Making £	Total 2019 £	Total 2018 £
Governance costs (note 6)	71%-29%	55,689	22,746	78,435	27,630
Maintenance	71%-29%	-	-	-	-
Office costs	71%-29%	15,722	6,422	22,144	24,468
Premises	71%-29%	57,012	23,287	80,299	60,106
		<u>128,423</u>	<u>52,455</u>	<u>180,878</u>	<u>112,204</u>
6. Governance Costs				Group 2019 £	Group 2018 £
Business Rates				4,186	3,485
Insurance				2,340	2,036
Accountancy Fees				7,670	7,880
Professional Fees				63,068	13,133
Bank Charges				1,171	1,096
				<u>78,435</u>	<u>27,630</u>
7. Analysis of Grants		Grants to Institutions £	Grants to Individuals £	Total 2019 £	Total 2018 £
Youth category grants (Y)		468,891	-	468,891	487,091
The Disabled category grants (D)		143,550	-	143,550	272,285
The Terminally ill and Hospices (ETH)		74,785	-	74,785	31,177
Other category grants (O)		73,538	-	73,538	117,000
		<u>760,764</u>	<u>-</u>	<u>760,764</u>	<u>907,553</u>
Recipients of grants			Grant Making £	Total 2019 £	Total 2018 £
Edward Barnsley Educational Trust (Y)			10,000	10,000	10,000
In2Change South Yorkshire Ltd (Y)			25,000	25,000	25,000
Veterans Aid (O)			-	-	15,000
English National Ballet School (Y)			15,000	15,000	15,000
Young Musicians Symphony Orchestra (Y)			15,000	15,000	15,000
Raleigh International (Y)			10,000	10,000	-
Treloar Trust (D)			-	-	10,000
Ebony Horse Club (Y)			-	-	12,500
Mark Evison Foundation (D)			-	-	10,000
Edward James Foundation (West Dean College) (Y)			21,000	21,000	-
Strength in Horses (Y)			20,000	20,000	-
United World Colleges (Y)			10,000	10,000	-
Tapping House Hospice (ETH)			10,000	10,000	-
Worcestershire Community Foundation (Y)			15,000	15,000	-
Lord Lieutenants Fund for Youth (Y)			15,000	15,000	-
Other grants payable			594,764	594,764	794,953
			<u>760,764</u>	<u>760,764</u>	<u>907,453</u>
Total grants payable			760,764	760,764	907,453

Others grants payable includes grants payable to UK registered charities which are each under £10,000.

8. Net Incoming / (Outgoing) Resources are stated after Charging:

	Group 2019 £	Group 2018 £
Auditors' remuneration - audit	18,050	17,630
- other services	4,680	4,580
Operating leases - land and buildings	62,000	43,829
- other	1,917	1,917
Loss on fair value movement of investment property	(850,000)	(95,000)
Gain / (loss) on fair value movement of investment portfolio	1,267,162	210,208

9. Auditor's Remuneration

Auditor's remuneration amounts to an audit fee of £18,050 (2018 - £17,630) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the subsidiary companies of £4,680 (2018 - £4,580).

10. Staff Costs

	2019 £	2018 £
Wages and salaries	129,512	137,833
Social security costs	6,653	8,973
Pension costs - money purchase scheme	-	4,000
Pension costs - employer's pension	904	852
Other staff costs	-	808
	<hr/>	<hr/>
	137,069	152,466
	<hr/>	<hr/>

The average number of employees during the year, excluding Trustees, was 3 (2018 - 3). This equates to a full time equivalent number of 2 (2018 - 2).

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2019 Number	2018 Number
£60,001 - £70,000	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

11. Trustees' and key management personnel remuneration and expenses

	2019 Number	2018 Number
The number of company directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited, Middlerigg Services Limited and Mountbarrow Properties Limited. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998. Payments for the year amounted to £52,500 - J Rodwell £37,500 and A C Ford £15,000 (2018 - J Rodwell £50,000).

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2019 Number	2018 Number	2019 £	2018 £
Travel	2	8	49	894
	2	8	49	894

The total amount of employee benefits received by key management personnel during the year was £76,144 (2018 - £80,083). The Foundation considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2019 £	Group freehold land and buildings 2018 £	Company freehold land and buildings 2019 £	Company freehold land and buildings 2018 £
At beginning of year	14,475,000	13,050,000	11,150,000	10,675,000
Additions at cost	232,000	770,000	232,000	770,000
Capitalised Improvements	143,840	-	143,840	-
Assets transferred to current assets held for sale	-	750,000	-	-
(Loss) on revaluation	(850,000)	(95,000)	(725,000)	(295,000)
At end of year	14,000,840	14,475,000	10,800,840	11,150,000

The investment properties had an original cost of £13,117,756 (2018 - £12,885,756) (Group), and £10,992,831 (2018 - £10,760,831) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2019. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Both Messrs Thomas and Hanson are Fellows of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2019 £	2018 £	2019 £	2018 £
	Group		Company	
Investment in subsidiary undertakings	-	-	5,310,984	5,469,756
Listed investments	20,681,446	20,749,732	20,681,446	20,749,732
	20,681,446	20,749,732	25,992,430	26,219,488

Details of the subsidiary undertakings can be found in Note 24.

13a. Fixed Asset Investments

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	5,469,756
Movement in year	(158,772)
Valuation at end of year	5,310,984

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 24. All the subsidiaries are incorporated in England and are wholly owned at 31 March 2019.

13b. Fixed Asset Investments

Listed Investments	Group and Company 2019	£	Group and Company 2018	£
Market value at beginning of year	20,749,732		20,166,709	
Additions at cost	6,958,760		5,763,805	
Disposal proceeds	(8,294,206)		(5,389,990)	
Net investment gains				
- unrealised gains / (losses) on revaluation	(334,051)		(1,432,394)	
- realised gains on disposal	1,601,213		1,642,602	
	<u>1,267,162</u>		<u>210,208</u>	
Market value at end of year	<u>20,681,448</u>		<u>20,749,732</u>	

Reconciliation**Listed Investments**

	Group and Company 2019	Group and Company 2018
	£	£
Opening market value of investments	20,749,732	20,166,709
Closing market value of investments - excl cash	20,681,448	20,749,732
	<u>(68,284)</u>	<u>584,023</u>
Cash proceeds from sales	8,294,206	5,389,990
Cash utilised in investment purchases	<u>(6,958,760)</u>	<u>(5,763,805)</u>
Increase / (decrease) in combined investment assets	<u>1,267,162</u>	<u>210,208</u>

Listed Investments

	2019	2018
	£	£
UK equity shares	2,774,474	1,575,006
Overseas equities	17,906,974	19,174,726
Market value of listed investments	<u>20,681,448</u>	<u>20,749,732</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date. The Charities Property Fund market value of £1,085,758 comprises 5.25% of the total investments.

HEDLEY FOUNDATION LIMITED
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14. Debtors	2019 £ Group	2018 £	2019 £ Company	2018 £
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	123,824	102,683
Amounts owed by subsidiary undertakings - other	-	-	204,412	212,777
Prepayments and accrued income	124,788	47,042	101,134	34,445
Trade debtors	-	870	-	-
	<u>124,788</u>	<u>47,912</u>	<u>429,370</u>	<u>349,905</u>

15. Cash at Bank and in hand	2019 £ Group	2018 £	2019 £ Company	2018 £
Deposit accounts	523,695	313,695	523,695	313,695
Current accounts	124,138	223,434	106,158	144,897
Cash at Investment Managers	1,406,293	586,622	1,406,293	586,622
	<u>2,054,126</u>	<u>1,123,751</u>	<u>2,036,146</u>	<u>1,045,214</u>

16. Creditors: amounts falling due within one year	2019 £ Group	2018 £	2019 £ Company	2018 £
Amounts owed to subsidiary undertakings	-	-	2,441,655	2,411,170
Taxation and social security costs	1,283	488	521	88
Accruals and deferred income (see note 17)	177,038	264,200	133,732	222,956
Other creditors	93,967	1,314	93,967	3
	<u>272,288</u>	<u>266,002</u>	<u>2,669,875</u>	<u>2,634,217</u>

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income	2019 £ Group	2018 £	2019 £ Company	2018 £
At 1 April 2018	116,187	114,035	97,475	105,803
Additions during the year	401,346	405,762	355,182	386,186
Amounts released	(420,571)	(403,610)	(374,407)	(394,514)
	<u>96,962</u>	<u>116,187</u>	<u>78,250</u>	<u>97,475</u>

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. Fund Reconciliation

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	36,130,393	1,267,406	(1,192,273)	383,390	36,588,916
Subsidiary companies' funds	5,469,756	233,258	(267,030)	(125,000)	5,310,984
Consolidation adjustments	(5,469,756)	(151,727)	151,727	158,772	(5,310,984)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Group Funds	36,130,393	1,348,937	(1,307,576)	417,162	36,588,916
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Company's net outgoing resources before gains/(losses) for the year ended 31 March 2019 amounted to £458,523. Details of the consolidation adjustments can be found in note 25.

19. Minority Interest - Merewood Properties Limited

The "A" ordinary shares are valued at nominal value as they have dividend rights but no voting rights or rights to a distribution in the event of the Company being wound up. These were transferred back to The Hedley Foundation in March 2017.

20. Operating Lease Commitments - Company and Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019		2018	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	950	-	-
Later than one but not later than five years	188,460	2,614	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	251,280	3,564	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

As at 31 March 2019 there were Grant commitments of £18,758.

21. Reconciliation of net (expenditure) / income to net cash flow from Operating Activities	2019 £	2018 £
Net income / (expenditure) for year	458,523	49,215
Losses / (gains) on investment portfolio	(1,267,162)	(210,208)
Losses / (gains) on revaluation of investment property	850,000	95,000
(Increase) / decrease in debtors	(76,876)	33,646
(Decrease) / Increase in creditors	6,286	66,475
	<hr/>	<hr/>
Net Cash (Outflow) / Inflow from Operating Activities	(29,229)	34,128
	<hr/>	<hr/>

22. Pensions
a) Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £904 (2018 - £852).

b) Defined contribution pension - money purchase scheme

The Foundation operated a money purchase scheme for its employees, and this has now been cancelled. The amount of contributions recognised as an expense during the year was £Nil (2018 - £4,000).

23. Related Party Transactions

During the year the Foundation made grant payments of £54,600 (2018 - £54,600) to 7 (2018 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities.

	Income £	Expenditure £
The Lockie Trust		
Trustee: Angus Fanshawe and John Rodwell		
At 31 Mar 2018	7,800	4,000
At 31 Mar 2019	7,800	8,950
The Phoenix Cottage Trust		
Trustee: David Byam-Cook		
At 31 Mar 2018	7,800	7,400
At 31 Mar 2019	7,800	6,950
The Ravensword Trust		
Trustee: Patrick Holcroft and John Rodwell		
At 31 Mar 2018	7,800	9,200
At 31 Mar 2019	7,800	3,650
The Sant Trust		
Trustee: Lorna Stuttford		
At 31 Mar 2018	7,800	11,050
At 31 Mar 2019	7,800	1,650
The Straton Thornhill Trust		
Trustee: Robin Broke		
At 31 Mar 2018	7,800	7,034
At 31 Mar 2019	7,800	7,745
The Tristenagh Trust		
Trustee: Andrew Ford		
At 31 Mar 2018	7,800	3,084
At 31 Mar 2019	7,800	4,236
The Shearwater Trust		
Trustee: Charles Bennett		
At 31 Mar 2019	7,800	1,250

Provisions for doubtful related party debtors amounted to £Nil at the balance sheet date (2018 - £nil). The charity recognised £Nil (2018 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2019 or 2018 with related parties.

Each Trustee manages a charitable Trust as disclosed above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity.

24. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 26. These results include intragroup transactions of £11,555 (2018 - £12,264) for management services provided by Middlerigg Services Limited to fellow subsidiaries, and £7,652 (2018 - £4,309) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £93,487 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All Companies are registered and incorporated in England and Wales.

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	Merewood Properties Limited		Fairhood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
24. Results of Subsidiary Companies	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
Gross income from investment Properties	50,000	17,626	28,248	42,637	-	-	98,594	98,594	176,842	158,857
Management fees / commission	-	-	-	-	48,764	47,002	-	-	48,764	47,002
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	7,652	4,309	7,652	4,309
Total income of subsidiaries	50,000	17,626	28,248	42,637	48,764	47,002	106,246	102,903	233,258	210,168
Property outgoings	1,821	3,800	-	-	-	-	1,240	1,200	3,061	5,000
Administrative expenses	14,673	14,063	58,434	52,161	19,540	17,583	32,173	31,030	124,820	114,837
Interest payable	2,072	963	5,554	3,330	26	16	1,082	649	8,734	4,958
Corporation Tax payable	-	-	-	-	462	-	-	-	462	-
Deeds of Covenant/Gift Aid	31,434	-	-	9,009	26,768	29,403	71,751	67,227	129,953	105,639
Total expenses of subsidiaries	50,000	18,826	63,988	64,500	46,796	47,002	106,246	100,106	267,030	230,434
Retained profit/(losses)	-	(1,200)	(35,740)	(21,863)	1,968	-	-	2,797	(33,772)	(20,266)
Revaluation of freehold property	(50,000)	50,000	25,000	-	-	-	(100,000)	150,000	(125,000)	200,000
Release of realised loss on - disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	412,685	363,885	1,306,002	1,327,865	7,392	7,392	3,743,677	3,590,880	5,469,756	5,290,022
Reserves at end of year	362,685	412,685	1,295,262	1,306,002	9,360	7,392	3,643,677	3,743,677	5,310,984	5,469,756

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2018 - £ nil).

25. Subsidiary Companies - total income and expenditure reconciliation note

	2019 £	2018 £
(i) Total income of subsidiary companies	211,484	193,160
Plus: Group transactions		
• Management fee income	11,555	12,264
• Interest earned	10,219	4,744
	<hr/>	<hr/>
Total income of subsidiary companies before consolidation (note 24)	233,258	210,168
	<hr/>	<hr/>
(ii) Total expenses of subsidiary companies	115,303	107,787
Plus: Group transactions - deed of covenant/gift aid	129,953	105,639
• Management fee expenses	11,555	12,264
• Interest paid	10,219	4,744
	<hr/>	<hr/>
Total expenses of subsidiary companies before consolidation (note 24)	267,030	230,434
	<hr/>	<hr/>

26. Post Balance Sheet Events

Sale of the property at 1 Stonegate and 7 St Helen's Square, York, completed on 4 April 2019 for an amount of £3million.

27. Financial instruments

The charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.