

Charity Registration No. 1094130

Company Registration No. 04481304 (England and Wales)

REUBEN FOUNDATION
(a company limited by guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



REUBEN FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|-----------------|---|--|
| Trustees | J A Reuben M R Turner S D Reuben R Stone D L Reuben E Sawyer R D Reuben | (Appointed 31 July 2019) (Appointed 31 July 2019) |
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| Charity number | 1094130 |
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| Company number | 04481304 |
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| Registered office | 4th Floor Millbank Tower 21-24 Millbank London SW1P 4QP |
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|-----------------------------|---|
| Independent Auditors | Gerald Edelman 73 Cornhill London EC3V 3QQ |
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| | |
|----------------|---|
| Bankers | Barclays Bank 1 Churchill Place London E14 5HP UBS Wealth Management 5 Broadgate London EC2M 2AN |
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|-------------------|---|
| Solicitors | Reed Smith LLP Broadgate Tower 20 Primrose Street London EC2A 2RS |
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|--------------------------|--|
| Property Advisors | Motcomb Estates 4th Floor Millbank Tower 21-24 Millbank London SW1P 4QP |
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REUBEN FOUNDATION

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REUBEN FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and financial statements for the year ended 31 December 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Ireland (FRS102) (Effective 1 January 2015).

Objectives and activities

The aims and objectives of the charity as set out in the governing document are:

1. To promote and further the education of persons but in particular young persons;
2. To relieve persons who are in need, hardship or distress as a result of or by reason of their social or economic circumstances, their infirmity or age;
3. To relieve persons who are in need, hardship or distress as a result of local, national or international unrest or disorder;
4. To facilitate medical research and the development of medical facilities worldwide;
5. To support, procure or further such objects, which are exclusively charitable according to the law.

For further details regarding our charity, please visit our website at www.reubenfoundation.com.

Public Benefit

In order to achieve its objectives the charity makes grants for the public benefit to both charitable institutions and worthy individuals both in the UK and abroad. In setting our programmes and strategy going forward we have regard to both the general guidance on public benefit and prevention and relief of poverty published by the Charity Commission. The Trustees always ensure that the programmes we undertake are in line with the charity's aims and with their powers and responsibilities as detailed in the governing document and under charity law.

Charity Aims

The charity delivers its charitable aims as follows:

- 1) Identification of suitable projects and causes through the existing Trustees contacts and by building new relationships with a range of charitable organisations and intermediaries.
- 2) The careful review of, with external advice where necessary, relevant applications taking account, inter alia, of the importance of the charitable work undertaken, the financial stability of the organisation and the competence of its management.
- 3) The monitoring of the application of all grants made by the Foundation in the hands of the recipient to ensure that these have been used for the purpose for which they were made in an efficient and cost effective way.
- 4) The monitoring of the investments of the Foundation and, when deemed necessary, the making of changes in the portfolio with a view to maintaining and, wherever possible, improving the market value and income of the underlying assets.

The Trustees welcome applications from any institution or individual which meets the criteria set out above without geographical restriction.

Grant making policy

The Trustees have a formal documented policy by which grant applications are processed. All requests for funds are discussed at the Trustee meetings and the merits of each application considered, ensuring that these meet the aims and objectives set out above. Unsuccessful applicants are notified in writing of the Trustees' decision. Grants are approved having regard to the current reserves and the long-term policy of the Foundation. Details of the major grants made for the public benefit during the year are set out in note 9.

REUBEN FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees all take an active role in the management of the charity to ensure its aims are fulfilled. Regular contact is made with many beneficiaries in order to attempt to establish the needs of charities and the level of financial assistance that may be appropriate.

Achievements and performance

During the year the charity distributed £5,447,145 (2017: £1,542,164) in continuing to support charitable initiatives in healthcare, education and the community. After adjustment for movements in commitments the total included in the accounts was £3,268,964 (2017: £5,126,575).

Highlights of the year include the opening by the Mayor of London of the Reuben Foundation Maternity Centre at Chelsea & Westminster Hospital, London. This follows a major gift to the hospital charity towards both a refurbished maternity centre as well as the creation of a new Neonatal Intensive Care Unit. The new neonatal ICU will increase the hospital's capacity to treat 150 more babies every year in a state-of-the-art environment for families and babies born from 23 weeks.

In October 2018, the Reuben Foundation hosted the 30th Anniversary Appeal Dinner for the Holocaust Educational Trust. Over 500 guests attended the dinner, held at The Dorchester Hotel in London, to support the vital work being done by this charity. Guest Speakers included the Rt Hon Tony Blair, Home Secretary the Rt Hon Sajid Javid MP, Secretary of State of Education the Rt Hon Damian Hines MP, and was attended by countless more politicians from all political parties as well as community leaders.

The Reuben Foundation also continued its support of Centrepoin, hosting the Centrepoin Awards at Kensington Palace in February 2018 in the presence of HRH Prince William, The Duke of Cambridge. The ceremony recognised the courage shown by young people in turning their lives around after experiencing homelessness.

Also in 2018, the Reuben Foundation furthered its support of Great Ormond Street Hospital through helping fund the "Big Hearts for Little People" campaign. The initiative is towards the new Sight and Sound Centre at Great Ormond Street Hospital, set to open in 2020.

Over the year the Reuben Foundation continued to expand the Reuben Scholarship Programme further by providing more scholarships to both undergraduate and postgraduate students.

The Foundation continued its support of the Nancy Reuben Primary School and Nancy Reuben Kindergarten during the year with a donation of £310,900. The Reuben Foundation also supported a large number of other charities as well as worthy individuals with smaller grants in line with its stated objectives.

Post Balance Sheet activities

Since Year end December 2018, the Reuben Foundation pledged to support the Design Museum, through sponsorship of its new exhibition on the film director Stanley Kubrick. The Reuben Foundation also continued its support of the British Film Institute by becoming Lead Supporter of the BFI's London-based year-round film education programmes, BFI Future Film. The programmes have a particular focus on supporting those from less privileged backgrounds to build a career in the film industry.

REUBEN FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

These accounts record the financial position of the group for the year ended 31 December 2018, with appropriate comparatives for the year ended 31 December 2017. The group's net income before investment returns was £1,564,008 (2017: £835,556 net expenditure). The available gross investment income was £5,569,252 (2017: £5,126,884) comprising rental income of £3,459,956 (2017: £3,337,395). Interest receivable on fixed interest bonds and bank deposits was £2,109,296 (2017: £1,789,489). The net property income after deduction of management costs was £2,671,564 (2017: £2,375,720) representing an increase of 12.2%. Total expenditure was £4,005,244 (2017: £6,103,496). Property expenditure decreased by £173,283 (2017: increase of £71,779). Please see note 7 for the complete breakdown. The fixed asset investments retained were valued at the balance sheet date at £82,084,994 (2017: £78,548,277) as detailed in notes 15 and 16 and include the Freehold and Leasehold property interests as well as the the quoted investment portfolio. In the year under review losses on investment assets were £1,573,741 (2017: gains of £945,792) (see note 12 for detail). Also included in the balance sheet of the charitable company are the investments held in subsidiary companies which are included in the accounts at a value of £6.2 million (2017: £6.2 million). As detailed in the notes to the accounts there are two main subsidiary companies being Concorde Sixth (Ulster Terrace No 1) Ltd and Spicerite Limited (the activities of each are detailed in note 5 to the accounts). The purpose of these investments is to provide a capital return in the long term.

Reserves Policy

The strategy of the charity has been to pursue an investment policy which would result in continuing and sustainable growth to maximise the income funds available for charitable distribution. This policy has now come to fruition and has enabled the level of distributions to increase whilst maintaining the capital asset base. The Trustees believe that these circumstances place the charity in a strong financial position to enable it to deal with any unforeseen effects of the current economic and financial climate whilst continuing to meet its planned expenditure and to ensure that the charity can meet its ongoing and future commitments. The level of reserves at the year end was £5,160,015 (2017: £8,727,144) (after deduction of the value of fixed assets required to maintain income levels). The Trustees do not believe that these reserves at this level are excessive. The Trustees continue to review opportunities for the commitment of major funds to selected projects for the public benefit.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Foundation faces, in particular those related to its operations and finances and have developed a risk management strategy which involves the following:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face
- the establishment of policies, systems and procedures to mitigate risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

Investment Policy

The investment policy of the Foundation is diversified to reduce any potential risks. The policy in relation to cash reserves has been to purchase varying yielding bonds of mixed currencies: Sterling and US Dollars. The yields on the existing bonds is approximately 6.6% (2017: 6.8%) whilst the property yields being achieved average 6.5% (2017: 6.4%).

REUBEN FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

The charity is a company limited by guarantee and was set up by memorandum and articles of association dated 9 July 2002. It was originally registered as the Reuben Brothers Foundation and changed its name to the current title by way of special resolution dated 23 October 2006.

The Trustees, who are also the directors for the purpose of company law, who served during the year were:

P O'Driscoll (Resigned 25 September 2018)

J A Reuben

M R Turner

S D Reuben

A Benjamin

(Resigned 30 July 2019)

R Stone

D L Reuben

E Sawyer

(Appointed 31 July 2019)

R D Reuben

(Appointed 31 July 2019)

In accordance with the Articles of Association R Stone and D L Reuben retire and offer themselves for re-appointment at the next AGM. The charitable company must have a minimum of two Trustees' and a maximum of fifteen.

The power of appointment of new Trustees is vested in the serving Trustees. It is the policy of the charitable company to provide any new Trustees appointed with background information regarding its affairs, including accounts, in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively. Further training will be provided as this is considered appropriate.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Decisions regarding the company are made at Trustee meetings which take place every month or on a more regular informal telephonic basis. Majority votes are required to agree any proposals put before the trustees at these meetings. The day to day administration is undertaken by the Trustee M Turner and the financial administration by R.Stone.

The Trustees have the power, given to them under the Memorandum and Articles of Association, to make any investment which they determine is in the best interests of the charity subject to obtaining appropriate professional advice and having regard to the suitability of investments and the need for diversification.

The charity has two active wholly owned subsidiary companies, Concorde Sixth (Ulster Terrace No 1) Limited and Spicerite Limited, which are both property investment companies that gift their profits to the charity under gift aid. Please refer to note 5 to the accounts for further information including the results for the year under review.

Auditor

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

REUBEN FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board of Trustees



.....
R Stone

Trustee

Dated: 27/09/19

REUBEN FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES **FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REUBEN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REUBEN FOUNDATION

Opinion

We have audited the financial statements of Reuben Foundation (the 'charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and the notes to the consolidated 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 and the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, 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 charity 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 charity'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 Trustees 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.

REUBEN FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF REUBEN FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity'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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

REUBEN FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF REUBEN FOUNDATION

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Hiten Patel

Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman
Chartered Accountants
Statutory Auditor

27/09/2019

73 Cornhill
London
EC3V 3QQ

REUBEN FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Unrestricted funds £ | Designated funds £ | Total 2018 £ | Total 2017 £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| <u>Income from:</u> | | | | | |
| Donations and legacies | 4 | - | - | - | 37,056 |
| Investments | 6 | 5,569,252 | - | 5,569,252 | 5,126,884 |
| Other income | | - | - | - | 104,000 |
| Total income | | 5,569,252 | - | 5,569,252 | 5,267,940 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 7 | 788,392 | - | 788,392 | 961,675 |
| Charitable activities | 8 | 3,216,852 | - | 3,216,852 | 5,141,821 |
| Total expenditure | | 4,005,244 | - | 4,005,244 | 6,103,496 |
| Net income/(expenditure) before gains and losses on investments | | 1,564,008 | - | 1,564,008 | (835,556) |
| Net (losses)/gains on investments | 12 | (1,573,741) | - | (1,573,741) | 945,792 |
| Net income/(expenditure) for the year | | (9,733) | - | (9,733) | 110,236 |
| Fund balances at 1 January 2018 | | 87,275,421 | 649,088 | 87,924,509 | 87,814,273 |
| Fund balances at 31 December 2018 | | 87,265,688 | 649,088 | 87,914,776 | 87,924,509 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

REUBEN FOUNDATION

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2018

| | Notes | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | 52,213,524 | 52,213,524 | 46,063,524 | 46,063,524 |
| Investments | 16 | 29,871,470 | 26,334,753 | 36,036,734 | 32,500,019 |
| | | <u>82,084,994</u> | <u>78,548,277</u> | <u>82,100,258</u> | <u>78,563,543</u> |
| Current assets | | | | | |
| Debtors | 18 | 694,478 | 1,004,603 | 682,729 | 985,368 |
| Cash at bank and in hand | | 10,643,650 | 16,421,223 | 10,526,471 | 16,357,432 |
| | | <u>11,338,128</u> | <u>17,425,826</u> | <u>11,209,200</u> | <u>17,342,800</u> |
| Creditors: amounts falling due within one year | 19 | (3,908,348) | (5,330,257) | (3,872,316) | (5,284,991) |
| Net current assets | | <u>7,429,780</u> | <u>12,095,569</u> | <u>7,336,884</u> | <u>12,057,809</u> |
| Total assets less current liabilities | | <u>89,514,774</u> | <u>90,643,846</u> | <u>89,437,142</u> | <u>90,621,352</u> |
| Creditors: amounts falling due after more than one year | 20 | (1,552,928) | (2,672,267) | (1,552,928) | (2,672,267) |
| Provisions for liabilities | 22 | | | | |
| Deferred tax liability | | (47,070) | (47,070) | - | - |
| Net assets | | <u>87,914,776</u> | <u>87,924,509</u> | <u>87,884,214</u> | <u>87,949,085</u> |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 25 | 669,767 | 649,088 | 669,767 | 649,088 |
| General unrestricted funds | 24 | 87,245,009 | 87,275,421 | 87,214,447 | 87,299,997 |
| | | <u>87,914,776</u> | <u>87,924,509</u> | <u>87,884,214</u> | <u>87,949,085</u> |

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the Board and authorised for issue on 27/09/18 and were signed on its behalf by:

R Stone
Trustee

Company Registration No. 04481304

REUBEN FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|-------------|-------------|--------------|------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 30 | | (2,698,663) | | 136,938 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | - | | (49,366) | |
| Purchase of other investments | | (7,587,660) | | (13,876,156) | |
| Proceeds on disposal of other investments | | 2,399,453 | | 19,905,774 | |
| Interest received | | 2,109,296 | | 1,789,489 | |
| Net cash generated from/(used in) investing activities | | | (3,078,910) | | 7,769,741 |
| Net increase/(decrease) in cash and cash equivalents | | | (5,777,573) | | 7,906,679 |
| Cash and cash equivalents at beginning of year | | | 16,421,223 | | 8,514,544 |
| Cash and cash equivalents at end of year | | | 10,643,650 | | 16,421,223 |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Reuben Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 4th Floor, Milbank Tower, 21-24 Millbank, London, SW1P 4QP.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the results, both of Reuben Foundation and of its wholly owned subsidiaries detailed in Note 26, whose accounts are made up to the same accounting date on a line by line basis.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Assets donated to the charity are recognised upon receipt and included in the accounts at estimated market value. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All resources expended are accounted for on an accruals basis. Irrecoverable vat is charged to the expense to which it relates.

Charitable expenditure includes grants made to individuals and institutions which are included in the accounts when paid or when a firm commitment is given to a charity prior to the balance sheet date which is a constructive obligation.

The costs of raising funds are represented by expenses attributable to the management and letting of the property interests owned as well as bank interest on loans utilised for their acquisition.

1.6 Tangible fixed assets

Included in tangible fixed assets are investment properties. With the exception of freehold property, property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Freehold property is stated in the balance sheet at revalued amounts, being the fair value on the date of revaluation less any subsequent depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which could be determined using fair values at the reporting end date.

It is the policy of the charity to capitalise expenditure of a capital nature only where the sum involved exceeds £1,000.

1.7 Investment properties

Investment property, which is property held to earn rental income and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

Gains or losses arising from changes in the fair value of investment property are included in the statement of financial activities for the period in which they arise.

1.8 Fixed asset investments

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 statement of financial activities include the net gains and losses arising on revaluation and disposals throughout the year.

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

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Subsidiaries

Included in fixed asset investments are subsidiaries. A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 Foreign exchange

Transactions denominated in foreign currency are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in other recognised gains and losses in the Statement of Financial Activities.

1.14 Taxation

As a registered charity the Foundation is exempt from taxation on its activities which fall within the scope of section 505 of Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties

The group's investment properties, which are properties held to earn rentals and/or capital appreciation, are measured using the fair value model and stated at their fair value as at the reporting date. The Trustees have used their experience of the property market and with reference to informal advice from Chartered Surveyors and market evidence of transaction prices of similar properties, have assessed an appropriate value as at the reporting date, which they feel is reliable and on a conservative basis.

3 Charity SOFA Summary

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries whose principal activity is property investment.

The summary financial performance of the charity alone is:

| | Total 2018 £ | Total 2017 £ |
|--|--------------------|--------------------|
| Gift aid receipts from subsidiaries | 521,856 | 558,838 |
| Other donations (see note 4) | - | 37,056 |
| Other incoming resources | 4,775,140 | 4,270,422 |
| Costs of raising funds | (426,036) | (570,556) |
| Grants paid | (3,291,927) | (5,126,575) |
| Other expenditure | (15,025) | (14,985) |
| Net (expenditure)/income for the year | 1,564,008 | (845,800) |
| Gains/(losses) on investment assets | (1,573,741) | 945,792 |
| Net movement in funds | (9,733) | 99,992 |
| Fund balances at 1 January 2018 | 87,924,509 | 87,824,517 |
| Fund balances at 31 December 2018 | 87,914,776 | 87,924,509 |

4 Donations and legacies

| | 2018 £ | 2017 £ |
|---------------------|-----------|-----------|
| Donations and gifts | - | 37,056 |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Income earned from other activities

The charity has a number of subsidiary companies all of which are incorporated in the United Kingdom. The majority of these companies are dormant with the exception of Concorde Sixth (Ulster Terrace No 1) Ltd and Spicerite Ltd. The profits generated by the companies are paid to the charity under the gift aid scheme.

Below shows a summary of the trading results of the two subsidiaries:

| Concorde Sixth (Ulster Terrace No 1) Ltd | Total 2018 £ | Total 2017 £ |
|---|-----------------------------|-----------------------------|
| Profit and Loss Account | | |
| Turnover | 395,914 | 507,599 |
| Management expenses | (88,729) | (132,866) |
| Net profit | 307,185 | 374,733 |
| Amount gift aided to parent undertaking | (307,185) | (374,733) |
| Retained in subsidiary | - | - |
| At 31 December 2018 the net assets and reserves of the company were as follows: | | |
| Assets and Liabilities | | |
| Fixed assets | 4,350,001 | 4,350,001 |
| Current assets | 37,693 | 137,623 |
| Current liabilities | (3,045,194) | (3,145,124) |
| | 1,342,500 | 1,342,500 |
| Net Assets | | |
| Represented by: | | |
| Share capital | 1 | 1 |
| Reserves | 1,342,499 | 1,342,499 |
| | 1,342,500 | 1,342,500 |
| Spicerite Ltd | Total 2018 £ | Total 2017 £ |
| Profit and Loss Account | | |
| Turnover | 502,678 | 452,861 |
| Management expenses | (240,531) | (268,756) |
| Tax provisions | - | 10,244 |
| Net profit (before tax) | 262,147 | 194,349 |
| Amount gift aided to parent undertaking | (262,147) | (184,105) |
| Retained in subsidiary | - | 10,244 |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Income earned from other activities

(Continued)

At 31 December 2018 the net assets and reserves of the company were as follows:

| | | |
|------------------------|------------------|------------------|
| Assets and Liabilities | | |
| Fixed assets | 1,800,000 | 1,800,000 |
| Current assets | 287,122 | 179,669 |
| Current liabilities | (853,433) | (745,980) |
| Provisions | (47,070) | (47,070) |
| | <u>1,186,619</u> | <u>1,186,619</u> |
| Net Assets | | |
| Represented by: | | |
| Share capital | 3 | 3 |
| Reserves | <u>1,186,616</u> | <u>1,186,616</u> |
| | <u>1,186,619</u> | <u>1,186,619</u> |

6 Investments

| | 2018 | 2017 |
|---------------|------------------|------------------|
| | £ | £ |
| Rental income | 3,459,956 | 3,337,395 |
| Other income | <u>2,109,296</u> | <u>1,789,489</u> |
| | <u>5,569,252</u> | <u>5,126,884</u> |

7 Raising funds

| | 2018 | 2017 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| <u>Investment property management</u> | | |
| Ground rents | 459,185 | 498,403 |
| Depreciation | - | 109,381 |
| Management fees | 128,124 | 131,909 |
| Rates | 495 | 14,475 |
| Legal & professional fees | 40,849 | 4,756 |
| Other expenses | <u>159,739</u> | <u>202,751</u> |
| | <u>788,392</u> | <u>961,675</u> |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Charitable activities

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Grant funding activities (see note 9) | 3,201,817 | 5,126,575 |
| Support costs including governance costs (see note 10) | 15,035 | 15,246 |
| | <u>3,216,852</u> | <u>5,141,821</u> |

9 Grants payable

| | Total 2018 £ | Total 2017 £ |
|-------------------------------------|--------------------|--------------------|
| Paid during the year | | |
| Grants to institutions (see below) | 5,365,434 | 1,488,299 |
| Grants to individuals | 81,711 | 53,865 |
| | <u>5,447,145</u> | <u>1,542,164</u> |
| Committed amounts | | |
| Total brought forward | (7,392,095) | (3,807,684) |
| Total carried forward (see note 21) | <u>5,213,914</u> | <u>7,392,095</u> |
| | <u>3,268,964</u> | <u>5,126,575</u> |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Grants payable

(Continued)

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| ARK Schools | - | 125,000 |
| Britain Israel Communications and Research Centre | 7,500 | - |
| British Academy of Film and Television Arts | 500,000 | - |
| British Film Institute | 13,879 | 42,082 |
| Cambridge University | 197,681 | 459,164 |
| Cancer Research | 7,000 | 706 |
| Carers Trust | 10,250 | 10,000 |
| Chelsea & Westminster Hospital | 3,000,000 | - |
| Community Security Trust | 27,500 | 25,000 |
| Central Synagogue | 225,000 | - |
| Centrepont | 44,966 | 7,600 |
| Great Ormond Street Hospital | 500 | 12,000 |
| Greenhouse Sports | 25,000 | - |
| Holocaust Educational Trust | 128,000 | 7,000 |
| Injured Jockeys Fund | - | 9,320 |
| Jewish Care | 10,000 | 10,000 |
| Lyric Theatre | 10,000 | - |
| Make A Wish Foundation | 2,500 | 14,000 |
| Mayo Clinic | 11,605 | 3,934 |
| Nancy Reuben Primary School | 310,900 | 200,900 |
| Northern Racing College | 16,000 | 16,000 |
| Norwood | 20,000 | 20,000 |
| NSPCC | 7,000 | 3,500 |
| University of Oxford | 502,500 | 15,000 |
| The Racehorse Sanctuary | 5,000 | 5,000 |
| Red Cross Manchester | - | 100,000 |
| Serpentine Trust | 10,000 | 25,000 |
| Stelios Philanthropic Foundation | - | 45,364 |
| The American School in London Foundation | 10,000 | 10,000 |
| University of Southern California | - | 8,236 |
| Yad Vashem Holocaust Martyrs & Heroes Remembrance Authority | 10,500 | 500 |
| Yorkshire Air Ambulance | 7,000 | - |
| Others | 326,864 | 366,858 |
| | <u>5,447,145</u> | <u>1,542,164</u> |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Analysis of governance and support costs

| | Support costs | Governance costs | 2018 | 2017 |
|--------------|---------------|------------------|--------|--------|
| | £ | £ | £ | £ |
| Bank charges | 10 | - | 10 | (381) |
| Audit fees | - | 15,025 | 15,025 | 15,627 |
| | 10 | 15,025 | 15,035 | 15,246 |

Governance costs relate to audit fees payable for the group.

11 Net movement in funds

| 2018 | 2017 |
|------|------|
| £ | £ |

Net movement in funds is stated after charging/(crediting)

| | | |
|---|-----------|-----------|
| Fees payable to the company's auditor for the audit of the company's financial statements | 15,025 | 15,627 |
| Depreciation of owned tangible fixed assets | - | 109,381 |
| Investment revaluation | 1,573,741 | (945,792) |
| Deferred tax relating to subsidiary company | - | (10,244) |

12 Net gains/(losses) on investments

| 2018 | 2017 |
|------|------|
| £ | £ |

| | | |
|----------------------------|-------------|---------|
| Revaluation of investments | (1,573,741) | 945,792 |
|----------------------------|-------------|---------|

13 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

14 Employees

There were no employees during the year.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

| 15 Investment Properties Group | | | |
|---|-------------------------------------|--------------------------------------|-------------------|
| | Freehold investment properties £ | Leasehold investment properties £ | Total £ |
| Cost | | | |
| At 1 January 2018 | 47,510,487 | 5,796,877 | 53,307,364 |
| At 31 December 2018 | 47,510,487 | 5,796,877 | 53,307,364 |
| Depreciation and impairment | | | |
| At 1 January 2018 | - | 1,093,840 | 1,093,840 |
| At 31 December 2018 | - | 1,093,840 | 1,093,840 |
| Carrying amount | | | |
| At 31 December 2018 | 47,510,487 | 4,703,037 | 52,213,524 |
| At 31 December 2017 | 47,510,487 | 4,703,037 | 52,213,524 |
| Historic Cost | | | |
| Historic cost of the properties are as per below: | | | |
| At 31 December 2018 | 28,423,534 | 5,923,039 | |
| Charity | | | |
| | Freehold investment properties £ | Leasehold investment properties £ | Total £ |
| Cost | | | |
| At 1 January 2018 | 45,710,487 | 1,446,877 | 47,157,364 |
| Additions | - | - | - |
| At 31 December 2018 | 45,710,487 | 1,446,877 | 47,157,364 |
| Depreciation and impairment | | | |
| At 1 January 2018 | - | 1,093,840 | 1,093,840 |
| Depreciation charged in the year | - | - | - |
| At 31 December 2018 | - | 1,093,840 | 1,093,840 |
| Carrying amount | | | |
| At 31 December 2018 | 45,710,487 | 353,037 | 46,063,524 |
| At 31 December 2017 | 45,710,487 | 353,037 | 46,063,524 |
| Historic Cost | | | |
| Historic cost of the properties are as per below: | | | |
| At 31 December 2018 | 26,623,533 | 1,573,039 | |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Investment Properties

(Continued)

The property interests retained by the charity have been revalued as at 31 December 2018 based on valuations provided by the Trustees who have considerable experience in property matters including M.Turner who is a Chartered Surveyor.

16 Fixed asset investments

| | Notes | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|-----------------------------|-------|--------------------|--------------------|----------------------|----------------------|
| Investments in subsidiaries | 26 | - | - | 6,165,266 | 6,165,266 |
| Listed investments | | 29,871,470 | 26,334,753 | 29,871,468 | 26,334,753 |
| | | <u>29,871,470</u> | <u>26,334,753</u> | <u>36,036,734</u> | <u>32,500,019</u> |

The quoted instruments are primarily represented by UK fixed interest stocks.

Movements in fixed asset investments

| Group | Bonds and Equities £ |
|---------------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2017 | 26,334,753 |
| Additions at cost | 7,587,660 |
| Net change in value in the year | (1,651,491) |
| Capital repayment and disposals | (2,399,452) |
| At 31 December 2018 | <u>29,871,470</u> |
| Carrying amount | |
| At 31 December 2018 | <u>29,871,470</u> |
| At 31 December 2017 | <u>26,334,753</u> |

17 Financial instruments

| | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 567,275 | 896,087 | 598,709 | 939,906 |
| Equity instruments measured at cost | | - | 6,165,266 | 6,165,266 |
| Instruments measured at fair value through profit or loss | <u>29,871,471</u> | <u>26,334,753</u> | <u>29,871,471</u> | <u>26,334,753</u> |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | <u>5,448,634</u> | <u>7,826,050</u> | <u>5,411,026</u> | <u>7,881,713</u> |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

| 18 Debtors | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 890 | 2,093 | - | - |
| Amounts due from subsidiary undertakings | - | - | 169,116 | 131,777 |
| Amounts due from related parties | 119,934 | 413,197 | 119,934 | 413,197 |
| Other debtors | 126,776 | 141,791 | 49,130 | 64,146 |
| Prepayments and accrued income | 446,878 | 447,522 | 344,549 | 376,248 |
| | <u>694,478</u> | <u>1,004,603</u> | <u>682,729</u> | <u>985,368</u> |

Included within debtors is an amount due to the charitable company from the subsidiaries Spicerite Limited of £169,116 (2017: £131,777). The loan is interest free and repayable on demand.

| 19 Creditors: amounts falling due within one year | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Other taxation and social security | 60,967 | 56,515 | 67,060 | 60,037 |
| Trade creditors | 107,882 | 205,095 | 70,278 | 182,915 |
| Amounts due to subsidiary undertakings | - | - | - | 98,968 |
| Other creditors | 3,787,821 | 4,948,688 | 3,787,820 | 4,927,563 |
| Accruals and deferred income | 48,322 | 119,959 | 52,842 | 15,508 |
| | <u>3,908,348</u> | <u>5,330,257</u> | <u>3,872,316</u> | <u>5,284,991</u> |

Amounts due to subsidiary undertakings comprises a balance of £nil (2017: £98,968) due to Concorde Sixth (Ulster Terrace No.1) Limited. The loan is interest free and repayable on demand.

20 Creditors: amounts falling due after more than one year

| | Group 2018 £ | Group 2017 £ | Charity 2018 £ | Charity 2017 £ |
|-----------------|--------------------|--------------------|----------------------|----------------------|
| Other creditors | <u>1,552,928</u> | <u>2,672,267</u> | <u>1,552,928</u> | <u>2,672,267</u> |

Other creditors relate to grant commitments payable.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

21 Grant Commitments

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| ARK Schools | 395,000 | 395,000 |
| British Academy of Film and Television Arts | 800,000 | 1,300,000 |
| British Film Institute | 120,000 | - |
| Cambridge University | 1,139,414 | 1,477,095 |
| Centrepont | 750,000 | - |
| Chelsea & Westminster Hospital | - | 3,000,000 |
| Community Security Trust | 50,000 | 50,000 |
| Injured Jockeys Fund | 20,000 | 20,000 |
| Nancy Reuben Primary School | 362,000 | 150,000 |
| Norwood Foundation | 100,000 | 40,000 |
| Royal Marsden Hospital | 1,000,000 | - |
| University of Oxford | 457,500 | 960,000 |
| Yad Vashem Holocaust Martyrs & Heroes Remembrance Authority | 20,000 | - |
| | <u>5,213,914</u> | <u>7,392,095</u> |
| Comprised as follows: | | |
| Due in less than one year | 3,660,986 | 4,702,500 |
| Due in more than one year | 1,552,928 | 2,689,595 |
| | <u>5,213,914</u> | <u>7,392,095</u> |

22 Provisions for liabilities

Deferred tax

The deferred tax provision relates to the potential tax payable on the future profits in the event of the disposal of the investment properties held in the subsidiary Spicerite Limited.

23 Share capital

The charitable company is limited by guarantee and has no share capital. Each member guarantees to contribute £1 in the event of a winding up.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

24 Movement in unrestricted funds

| | General and Designated funds £ | Revaluation reserve £ | Total as at 31.12.2018 £ | Total as at 31.12.2017 £ |
|--|---|-----------------------------|--------------------------------|--------------------------------|
| Balance at 1 January 2018 | 65,996,045 | 21,928,464 | 87,924,509 | 87,814,273 |
| Income | 5,569,252 | - | 5,569,252 | 5,267,940 |
| Expenditure | (4,005,244) | - | (4,005,244) | (6,103,496) |
| Foreign currency exchanges | - | - | - | (2,374) |
| Other gains and losses | - | - | - | - |
| Revaluation in the year: Quoted investments | - | (1,573,741) | (1,573,741) | 948,166 |
| Balance at 31 December 2018 | 67,560,053 | 20,354,723 | 87,914,776 | 87,924,509 |

25 Designated funds

| | Balance at 1 January 2018 £ | Movement in funds | | Balance at 31 December 2018 £ |
|----------------------|--------------------------------------|-------------------|----------------------------|--|
| | | Transfers £ | Resources expended £ | |
| Cambridge University | 649,088 | 20,679 | - | 669,767 |
| | 649,088 | 20,679 | - | 669,767 |

The designated funds are held to represent ongoing funding commitments regarding scholarship programmes.

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

26 Subsidiaries

The charity holds more than 20% of the share capital of the following companies:

| Name of undertaking and country of incorporation or residency | Nature of business | Class of shareholding | % Held | |
|---|--------------------|-----------------------|----------|--------|
| | | | Direct | |
| Concorde Sixth (Ulster Terrace No 1) Ltd | England & Wales | Property investment | Ordinary | 100.00 |
| Concorde Sixth (Ulster Terrace No 2) Ltd | England & Wales | Dormant | Ordinary | 100.00 |
| Concorde Sixth Regents Park Ltd | England & Wales | Dormant | Ordinary | 100.00 |
| Spicerite Limited | England & Wales | Property investment | Ordinary | 100.00 |

The company also owns the entire issued capital of the following dormant nominee companies:

Amberdene Properties Limited
 Berrymist Properties Limited
 Edengrange Investments Limited
 Faye Properties Limited
 Gradecourt Limited
 Millpond Properties Limited
 Prairie Limited
 Townley Properties Limited

27 Analysis of net assets between funds

| | General unrestricted funds | Designated funds | Total |
|---|----------------------------|------------------|-------------------|
| | £ | £ | £ |
| Fund balances at 31 December 2018 are represented by: | | | |
| Tangible assets | 52,213,524 | - | 52,213,524 |
| Investments | 29,871,470 | - | 29,871,470 |
| Current assets/(liabilities) | 6,760,013 | 669,767 | 7,429,780 |
| Long term liabilities | (1,599,998) | - | (1,599,998) |
| | <u>87,245,009</u> | <u>669,767</u> | <u>87,914,776</u> |

REUBEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

28 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2018 | 2017 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 127,187 | 127,187 |
| Between two and five years | 180,182 | 307,369 |
| | <u>307,369</u> | <u>434,556</u> |

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

| | 2018 | 2017 |
|----------------------------|-------------------|-------------------|
| | £ | £ |
| Within one year | 2,752,795 | 2,460,653 |
| Between two and five years | 8,019,326 | 7,890,073 |
| In over five years | 21,009,548 | 20,703,510 |
| | <u>31,781,669</u> | <u>31,054,236</u> |

REUBEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

29 Related party transactions

The sum of £60,000 (2017: £60,000) was paid to Motcomb Estates Ltd, a company in which the Trustees M Turner and E Sawyer have an interest.

Included in investments is a holding of bonds with a value of £14,994,288 (2017: £16,689,261) issued by Wellington Pub Company PLC, a company in which the Trustee, S Reuben has a material interest. Interest of £443,277 (2017: £505,052) was recognised on these bonds in the year.

During the year, donations of £310,900 (2017: £200,900) have been paid to Nancy Reuben Primary School, a charity in which the Foundation is a Trustee. As at 31 December 2018, the charity was committed to future donations of £362,000 (2017: £150,000) to Nancy Reuben Primary School.

Included in amounts due from related parties is £nil (2017: £293,236) due from Wellington Pub Company PLC, a company in which the Trustee S Reuben has a material interest.

Included in amounts due from related parties is £119,934 (2017: £119,934) due from Reuben Brothers Limited, a company in which the Trustee S Reuben has a material interest.

REUBEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

| 30 Cash generated from operations | 2018 £ | 2017 £ |
|--|--------------------|----------------|
| (Deficit)/surplus for the year | (9,733) | 110,236 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (2,109,296) | (1,789,489) |
| Fair value gains on investments | 1,651,489 | (945,792) |
| Deferred tax movement | - | (10,244) |
| Depreciation and impairment of tangible fixed assets | - | 109,381 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | 310,124 | (502,391) |
| Increase/(decrease) in creditors | (2,541,247) | 3,165,237 |
| Cash (absorbed by)/generated from operations | (2,698,663) | 136,938 |
