

4756158



Ethical Property Foundation

**Trustees' Annual Report and Accounts
For the year ended 30 September 2007**

WEDNESDAY



ACVF3YC9

A31

26/03/2008

407

COMPANIES HOUSE

Contents

Legal and administrative information	3
Structure, governance and management	4
Activities, achievements and future plans	5
Property Advice for charities and communities	6
Planning Activism for communities	8
Ethical Property for landlords and developers	9
Supporting Social Change	10
Financial review	11
Reserves policy	11
Funding	11
Risk assessment	11
Independent Auditor's report to the Members of the Ethical Property Foundation	12
Statement of financial activities	14
Balance sheet	15
Notes to accounts	16

Legal and administrative information

Registered charity name The Ethical Property Foundation

Charity registration number 1101812

Company registration number 04756158 (Company limited by guarantee)

Registered office Development House
56 – 64 Leonard Street
London
EC2A 4LT

Trustees on date report approved

	Appointed	Resigned
J S Broad	7 May 2003	
R Brooke	12 December 2003	
S Clarke	7 May 2003	
G H C Craig	12 October 2004	1 November 2007
E Kotze	25 April 2007	
D I Lipfriend	25 May 2006	
G A Percival	12 October 2004	
J A Shepherd	7 May 2003	

Company secretary

J C Taylor 6 September 2005

Director J C Taylor

Bankers The Co-operative Bank
1 Balloon Street
Manchester
M60 4EP

Auditors Critchleys
Chartered Accountants and Business Advisers
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Governing document Memorandum and articles of association (dated 17 April 2003)

Structure, governance and management

The Foundation was established by sister organisation the Ethical Property Company PLC and registered as a company limited by guarantee in May 2003. The Foundation became a registered charity in January 2004.

The objects of the charity are to promote such purposes as may be charitable according to the laws of England and Wales and in particular to promote the efficiency and efficacy of charities.

The Foundation aims to empower 'consumers' of property, including charitable organisations and community groups, to make the most of property, and influence 'suppliers' of property, such as landlords and developers, to improve their environmental and social performance.

The Foundation is governed by a board of Trustees. The day to day business of the Foundation is delegated to a full-time Director who reports to the Trustees. The Trustees meet quarterly to make medium to long-term decisions regarding the running of the Foundation.

The board of Trustees takes responsibility for identifying gaps in its skills and finding suitable people to serve as Trustees. Trustee appointments are approved by the Foundation's sister organisation, the Ethical Property Company. Trustees do not serve a fixed term. The Trustees are bound to ensure that they are not conflicted by any involvement in the Ethical Property Company and to ensure a quorum of Trustees who have no such connection.

The Foundation and Company work in partnership on a number of projects.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and 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 the results of the company for that period. In preparing those accounts the Trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each Trustee has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Activities, achievements and future plans

The Foundation aims to empower 'consumers' of property, including charitable organisations and community groups, to make the most of property, and influence 'suppliers' of property, such as landlords and developers, to improve their environmental and social performance

Our business plan identifies the three strands of work that we wish to develop in support of our aims

1. Property Advice for charities

Providing information, support and professional advice to enable charities and community groups to make the most of the properties that they rent, manage and own

2 Planning Activism for communities

Providing information and training on planning and development to help individuals and community groups take an active role in creating vibrant neighbourhoods

3. Ethical Property for landlords and developers

Developing, facilitating and sharing best practice on social and environmental performance in commercial property, particularly existing building stock

In addition, this year the Foundation has worked in partnership with the Ethical Property Company to undertake a feasibility study for a social change centre in Brussels

Property Advice: for charities and community groups

Objectives

Although almost all charities and community groups come into contact with the commercial property world through letting or buying a building to run their projects, few have the skills and experience needed to avoid costly mistakes. As a result, many spend unnecessarily large amounts of time and money dealing with property issues – resources that could be better spent on their charitable work.

The Foundation's Property Advice Service was launched in London in 2005 in response to the lack of affordable, independent property advice for small charities and community groups. The Service offers information, advice, training and events and referrals to property professionals for specialist advice.

The Foundation set the following objectives for the Property Advice Service for the year:

- to deliver a Property Advice Service to London-based charities in line with targets set out in our business plan and commitments to our funders
- to secure funding for, and launch a Property Advice Service for charities based in Bristol and the surrounding area in May 2007

Activities

Demand for the free information, advice and technical support provided by our Property Advice Service has continued to exceed expectations.

The Foundation's London Property Advice Service has exceeded annual targets, assisting 153 organisations via our web-based information resources, providing one to one support to 99 organisations and securing reduced cost professional advice for 25 organisations.

We have added a training strand to our Property Advice Service, securing funding to provide free workshops on relocation and co-location. Over 70 London-based organisations have benefited from this training.

Following the success of the Property Advice Service in London, the Foundation secured funding to expand the Service to the south west, with a new office opened in Bristol in April – and two new staff joining the team.

The profile of premises issues in the charity sector has been raised by the launch of the Government-commissioned Quirk Review which examined the potential for transferring local authority property assets into community ownership. Our 'asset transfer' conference in Bristol in July brought together 90 delegates from charities and the local authority to explore how to push forward this agenda in the city.

We have made our web-based information available to Scottish charities by upgrading our website to reflect the differences in Scottish property and charity law.

The impact of the Property Advice Service in the charitable sector after only a year of operation was 'Highly Commended' at the prestigious Charity Awards in June.

Alongside its free of charge support for small charities, the Foundation has launched a consultancy service for larger charities. Consultancy projects have included lease 'healthchecks', reviews of property management practices, environmental audits and strategic options appraisals for charities reviewing their accommodation strategies.

The Property Advice Service is supported by Capacitybuilders, Charities Aid Foundation, City Bridge Trust, City Parochial Foundation, Esmée Fairbairn Foundation and Tudor Trust

Future plans

Over the next year, the Foundation will continue to deliver its Property Advice Service in London and Bristol in line targets in our business plan and commitments to funders

We will continue to deliver, and expand our training programme, adding workshops on running greener premises and property management

We will expand our website to provide information for charities planning to become landlords or buy buildings

We will continue to undertake consultancy work for larger charities

Planning Activism: for communities

Objectives

A planning obligation is the contract, between a developer and local authority, that accompanies planning permission, and sets out the contribution the developer will make to meeting the costs imposed by the development. £1.9 billion for affordable housing, education, transport, open space, and community and leisure facilities was secured through planning obligations in 2003/04, with 40% of major residential developments attracting a planning obligations agreement. There is considerable potential for community groups to engage with this process and secure community benefits. However, due to the lack of information available to communities on planning obligations, in many cases this opportunity is lost.

The Foundation set the following objectives for this area of work:

- to secure resources to enable the completion and publication of the Planning Activist's Handbook and to offer a series of practical training sessions on planning obligations

Activities

The Foundation has secured funding to complete and publish the Planning Activist's Handbook and to deliver a series of workshops for community groups on maximising community benefits from planning obligations. This funding has been secured in partnership with the Town and Country Planning Association who will publish complementary guidance for planners and developers on engaging the community and meeting community needs through planning obligations.

We are grateful for the support of the Rayne Foundation in enabling the Foundation to develop our Planning Activism work.

Future plans

In the next year the Foundation will publish the Planning Activist's Handbook, and deliver a series of workshops for community groups – to inform the publication, and to disseminate its findings.

Ethical Property: for landlords and developers

Objectives

The property industry contributes 18.6% of UK GDP, accounts for 73.8% or £4,050.5 billion of UK capital stock and employs 1,965,200 people. It has a huge influence in shaping the face of Britain - creating the places where we live, work and take our leisure. There are examples of excellent practice in the industry – innovative financing models for regeneration projects, developments delivering large reductions in environmental impact and social enterprises creating mixed tenure communities in desirable locations.

However, few would disagree that the property industry results in significant, undesirable environmental and social impacts. In 1998, the industry generated 150 million tonnes of waste. The built environment is responsible for over 50% of the UK's CO₂ emissions. The social concerns associated with new developments range from the health and safety of construction personnel to the provision of social infrastructure and the social cohesion impacts of demographic changes.

The Foundation aims to develop, facilitate and share best practice on social and environmental performance in commercial property, particularly existing building stock.

The Foundation set the following objectives for the year:

- to secure funding to employ a researcher to undertake a feasibility study into an Ethical Property Standard to reward good practice, raise awareness of poor environmental and social performance, and act as a driver for change in the property industry.

Activities

Work has focused on identifying possible sources of funding for the feasibility study, and building relationships with potential research partners from the academic, non-for-profit and commercial property sectors. Funding has not yet been secured to further progress this area.

Future plans

In the next year, the Foundation will secure funding to progress this area of work.

Supporting Social Change

Objectives

There are certain problems within our society that can only be solved if society itself is radically altered. Social change organisations are dedicated to tackling the root causes of these problems, whether through a change in the law, in the political or economic system, or in societal behaviour or attitude. The issues they work on reflect some of the key challenges facing society - from overseas development to peace building, to poverty in the UK. As these organisations often fundamentally challenge accepted societal norms, they can suffer from a lack of financial and public support.

The Foundation set the following objectives for the year:

- to partner with the Ethical Property Company to complete a feasibility study for a social change centre in Brussels

Activities

The feasibility study 'Establishing a centre for social change organisations working in Brussels' undertaken in partnership with the Ethical Property Company, was completed in July.

The study found that, although organisations perceive a strong value in locating in a shared building housing Belgian and pan-European organisations working on a range of social change issues, no such centre of any size currently exists. Many organisations looking to lobby in Brussels do not have an office base there, but need assistance with conference facilities, short term desk space, and support in understanding the workings of the Brussels bureaucracy. Organisations with a base in Brussels struggle with Belgian tax and administration, and face a shortage of centrally located conference facilities.

The study identified a demand for a centre in Brussels of 1,000 to 3,500 square metres in size, located close to the European Parliament to facilitate effective lobbying. Facilities required include a conference centre for up to 50 people with translation facilities, a hot-desking area where organisations can set up a short-term base, meeting rooms and an informal networking space.

The study identified the financing, and cross-border investment, taxation and legal issues that would need to be addressed in delivering a centre.

Since the production of the report, the Ethical Property Company has taken up this idea and plans to acquire a building in Brussels.

We are grateful to the Sigrid Rausing Trust for supporting the production of this feasibility study.

Future plans

In the next year, the Foundation will focus on supporting social change organisations via our Property Advice Service.

Financial review

Income has almost doubled during the year, reflecting a commitment to fundraise in support of the work of the Foundation. This has allowed a corresponding growth in charitable activities.

During the period the Foundation has received income of £172,811 and has made £131,935 of expenditure. The Foundation therefore has a surplus of £40,876 for the period. With income brought forward from the previous period, the Foundation will carry forward £80,519, of which £19,078 is restricted funding and £61,441 is unrestricted funding.

Reserves policy

The Trustees of the charity have developed a formal reserves policy in line with Charity Commission guidelines, which is appropriate to the future plans in terms of the size and growth of the organisation. The policy ensures for regular monitoring of the reserves levels and ensures that the costs of winding up the organisation and honouring all outstanding contracts would be fully met.

Funding

£6,605, including staff time and a proportion of overheads, was spent on external fundraising during the period.

The Foundation would like to thank all the funders who have supported our work during this period.

Capacitybuilders
Charities Aid Foundation
City Bridge Trust
City Parochial Foundation

Esmée Fairbairn Foundation
Sigrid Rausing Trust
Rayne Foundation
Tudor Trust

Risk assessment

The Foundation has developed a risk register that is reviewed and updated on an annual basis.

This report was approved by the Board of Trustees on 15/2/08 and signed on its behalf by



S Clarke

Independent Auditor's report to the Members of the Ethical Property Foundation

We have audited the accounts of Ethical Property Foundation for the year ended 30 September 2007 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the accounts.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion

- The accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 September 2007 and of its incoming resources and application of resources, including the income and expenditure, for the year then ended, and
- The accounts have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Trustees' Annual Report is consistent with the accounts



Critchleys, Oxford
Chartered Accountants
Registered Auditors

4 March 2008

Statement of financial activities

THE ETHICAL PROPERTY FOUNDATION

Company No 4756158

Statement of Financial Activities for the period ended 30 September 2007

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Incoming resources from Charitable Activities				
Property Advice Service	41,378	-	41,378	633
Incoming Resources from Generated Funds				
Grants received	55,000	74,641	129,641	90,867
Interest income	1,792	-	1,792	803
Commissions	-	-	-	1,957
Rent	-	-	-	373
Total incoming resources	98,170	74,641	172,811	94,633
Resources Expended				
Cost of Generating Funds	6,605	-	6,605	5,288
Charitable Activities				
Property Advice Service	43,436	64,605	108,041	49,885
Planning Activism	-	3,158	3,158	13,831
Space Plus Support for Start-Up Organisations	-	-	-	7,311
Social Change Survey	9,831	602	10,433	7,673
Software Licences	-	-	-	1,846
Governance	3,698	-	3,698	9,132
Total resources expended	63,570	68,365	131,935	94,966
Net incoming resources for the year	34,600	6,276	40,876	(333)
Funds Brought Forward at 30 September 2006	26,841	12,802	39,643	39,976
Balance at 30 September 2007	61,441	19,078	80,519	39,643

Balance sheet

Balance Sheet at 30 September 2007

	Note	2007 £	2006 £
Current assets			
Trade debtors		16,500	396
Cash at bank and in hand		108,461	74,084
		<u>124,961</u>	<u>74,480</u>
Creditors - amounts falling due within one year			
Deferred Income	9	38,665	28,196
Trade creditors		<u>5,777</u>	<u>6,641</u>
Net current assets		80,519	39,643
Net assets		<u>80,519</u>	<u>39,643</u>
		£	
Funds			
Unrestricted		61,441	26,841
Restricted		19,078	12,802
		<u>80,519</u>	<u>39,643</u>

These accounts were approved and authorised for issue by the Trustees on signed on its behalf by S Clarke

15/2/08 and



S Clarke

Notes to accounts

1. Accounting Policies

- a Basis of accounting
The accounts are prepared under the historical cost convention and in compliance with applicable accounting standards
- b Presentation of the accounts
The charity has adopted the Statement of Recommended Practice (SORP) 'Accounting and reporting by Charities' issued in 2005
- c Income and Expenditure
All items of income and expenditure, including grants receivable, are accounted for on an accruals basis. Where a grant is received where the donor has specified that part of this is to be expended in a future accounting period, this is included in deferred income and will be released to the Statement of Financial Activities in the year to which it relates. Support costs are allocated to the respective charitable activities
- d Funds
Unrestricted funds represent funds of the charity that are not subject to any restrictions regarding their use

Restricted funds are those which are specified for a particular use by their donor

2. Trustee's remuneration

There was no trustees' remuneration during the period. One trustee (2006/2) was paid expenses of £77.30 (2006/1 £199.85) during the period.

3. Taxation

The Foundation is a company and a registered charity. It has exemption from taxation on any trading profits which are applied for the purposes of the charity.

4. Restricted Funds

	1st Oct 06 £	Incoming Resources £	Resources Expended £	30th Sept 07 £
Property Advice Service	7,200	64,713	64,605	7,308
Space Plus	-	-	-	-
Planning Activism	5,000	9,928	3,158	11,770
Social Change Survey	602	-	602	-
	12,802	74,641	68,365	19,078

5. Liability of members

Every member of the Foundation undertakes to contribute a sum not exceeding £1 to the assets of the Foundation if it is wound up during his or her membership or within one year afterwards.

6. Capital commitments

There were no capital commitments either contracted for or authorised at 30 September 2007.

7 Governance Costs

	2007	2006
	£	£
Audit	1,175	1,052
Bank Charges	71	12
Statutory Returns	30	15
Legal & Professional Fees	164	523
Trustee Expenses	78	200
Trustee Meetings	173	66
Proportion of Staff Time and Office Overheads	2,007	7,264
	<u>3,698</u>	<u>9,132</u>

8. Employees

Wages and Salaries	£73,863	(2006 £38,050)
Social security costs	£7,759	(2006 £3,986)
Pension costs	£4,176	(2006 £2,101)

The average number of full time equivalent employees employed throughout the year was 3 (2006 1 25) and no employee emoluments exceeded £50,000 during the year

9. Deferred Income

	£
Balance at 1 October 2006	28,196
Amounts released from previous years	28,196
Amount deferred in the year	38,665
Balance at 30 September 2007	38,665

This represents grants received where the donor has specified that these are to be expended in a future accounting period