



**The Ethical Property Foundation
(A company limited by guarantee)**

**Report and Financial Statements Year ended 30
September 2016**

Charity number:

1101812

Company number:

04756158

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COMPANIES HOUSE

Legal and administrative information

Registered charity name	Ethical Property Foundation
Charity registration number	1101812
Company registration number	04756158 (Company limited by guarantee)
Registered office	Vintage House 36-37 Albert Embankment London SE1 7TL
Trustees A Allen T Aanchawan P Damesick MP Fahy WJ Scott JNH Whitaker	(Appointed 15 th October 2015)
Company secretary	G Ellis (Resigned 30 th November 2015) W J Scott (Appointed 1 st December 2015)
Chief Executive	A Swinson
Bankers	Metro Bank 64-66 Clarence Street Kingston KT1 1NP
Independent Examiners	Critchleys LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Governing document	Memorandum and Articles of Association (dated 17 April 2003 and modified May 2013)
Website	www.ethicalproperty.org.uk

The Ethical Property Foundation

Report of the trustees for the year ended 30 September 2016

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ended 30 September 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair's Report

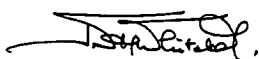
The Foundation has made strong progress in its transformation from a grant dependent charity to a sustainable not for profit organisation. Led by a strong Chief Executive and supported by an able and committed staff team, the organisation has:

- Improved its financial stability through increasing the income from paid consultancy
- Maintained its national advice services to charities in need of support
- Continued to be the sole source of quantitative data on property issues for charities
- Established a national programme to support charities' knowledge of property issues.

Partnership with the Charity Commission has been important in promoting these services to charities.

The fairplace Awards have become more established, albeit more slowly than we would have wished, and remain an important initiative in establishing more ethical practices in property management both within and outside the charity sector.

The Foundation benefits from a strong board of trustees, who are unstinting in their active contributions to our work.



John Whitaker
Chair

Public benefit statement

The Trustees confirm that they have complied with the duty in Part 17(5) of the Charities Act 2011 to have due regard to guidance in respect of public benefit published by the Charities Commission.

The Trustees are satisfied that all the objectives and activities outlined in this report are undertaken for public benefit.

THE ETHICAL PROPERTY FOUNDATION:

About the Ethical Property Foundation

The Ethical Property Foundation was launched in 2004.

Our core beliefs

- All use of buildings should be based on more than profit.
- Buildings can be used to deliver financial, social and environmental returns.
- Buildings' use should balance interests of owners, managers, tenants, staff and community.
- Balancing stakeholder interests involves challenging behaviour and unequal power.
- Challenging unequal power relations needs knowledge, resources and advice.
- Everyone involved with a building can work together as a positive force for good.

Our strategies

1. Help charities and non-profits thrive through effective, affordable property advice, training and support.
2. Champion the triple bottom line: environmental, social and financial.
3. Become a leading advocate on ethical property issues.
4. Develop ourselves sustainably to deliver our plan

Overview 2015/16

This has been a year of consolidation and recovery as the Ethical Property Foundation has begun its transformation from a small grant dependent charity to a lean and enterprising not for profit.

- ✓ 2015/6 has seen the growth of our property consultancy serving a wide range of not for profit clients with a carefully designed offer encompassing property strategies, feasibility studies, commercial publishing and training.
- ✓ Our charitable mission providing property support to small voluntary and community groups remains undimmed however, and we have developed a new approach centred on property education comprising workshops and drop in advice clinics which is of increasing interest to funders.
- ✓ 2015/6 saw the celebration of the 10th Anniversary of the London Property Advice Service – which has seen 2000 London based voluntary groups supported since 2006.

- ✓ The preparation of our 2016 Charity Property Matters Survey – Our 3RD Survey in partnership with the Charity Commission with in kind support for the first time from RICS.
- ✓ We entered into our 2nd year as successful sole referral partnership to the Charity Commission for land and property advice. The Commission now sees the Foundation as a key player in their planned Enablement Agenda to upskill the sector.
- ✓ The ongoing development of the fairplace Award which was achieved by EMCOR UK for its Surbiton headquarters and the Ethical Property Company with assessments carried out of RICS premises in Coventry and London.
- ✓ A new film was produced for the fairplace website www.fairplaceaward.com

Our Year in Numbers

In the year ending September 2016:

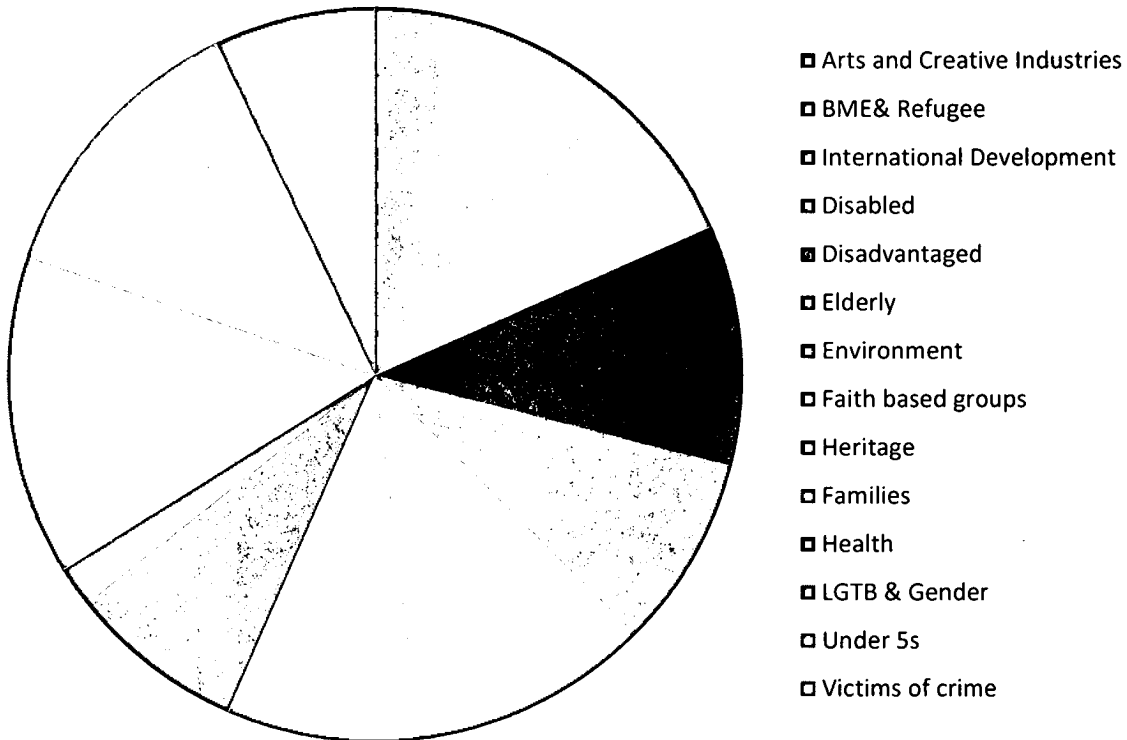
- ✓ We helped 199 charities save or generate £837,000.
- ✓ 57,000 p.a. visitors used our website property resource up from 22000 in 2015.
- ✓ We ran 10 workshops & clinics in London (3), Hull, Middlesbrough, Newcastle (2), Birmingham, Norwich and Sheffield.
- ✓ From March 1st, we ran our 3rd Charity Property Matters Survey 2016 attracting 425 respondents.
- ✓ We continued to build up our expert board.
- ✓ We delivered £43,881 in consultancy income from a standing start.
- ✓ We achieved 21 pieces of press coverage.

Where Our Voluntary Sector Clients Are Located

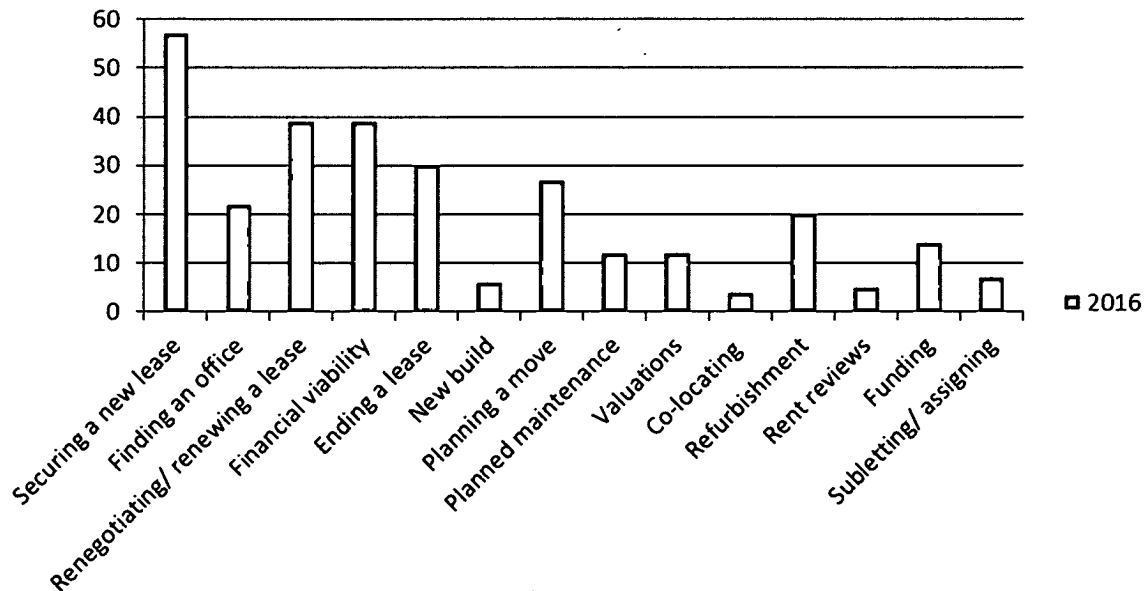
Region	2016
East	22
	5
London	139
North East	33
North West	10
South East	24
South West	41
South	2
Wales	11
West Midlands	25
Yorkshire and the Humber	41
Total:	353*

*Statistics include clients and workshop attendees.

Client beneficiaries - groups and causes *



Key types of enquiry



Testimonial for our property advice service: Action West London

www.actionwestlondon.org.uk

Launched in 1998 Action West London's mission is 'Changing lives through Employment, Education and Enterprise'. CEO John Blackmore: *"We came to the Ethical Property Foundation, because we were negotiating a lease and needed professional advice. The Foundation gave us really useful information which helped us in our lease negotiations. EPF gave us credibility,*

confidence and cut down risks as our expertise is in employment support not property. The EPF service is invaluable particularly at the moment when every penny counts.”

Current Priorities

Strategy 1

- ✓ To maintain an excellent quality of service for voluntary and community groups.
- ✓ To shift the emphasis of our work to education and prevention with a national campaign for property education through online resources as well as training workshops and advice clinics.
- ✓ To develop our consultancy in partnership with our Register of Property Professionals.

Strategy 2

- ✓ To build fairplace sales and profile while maintaining consistently high delivery standards.
- ✓ To develop sales partnerships to build market share.
- ✓ To capture impact to establish fairplace as a benchmark for social value.

Strategy 3

- ✓ To maintain a high quality of press activity to build profile and authority.
- ✓ To develop and deliver the 2016 Charity Property Matters Survey.
- ✓ To engage with local/national policymakers when appropriate to champion the property needs of the voluntary sector.

Strategy 4

- ✓ Maintain a strong and committed board working to the highest ethical standards.
- ✓ To support a committed staff team.
- ✓ To create a strong sustainable not for profit business.
- ✓ To create a dynamic web presence for property education.
- ✓ To maintain and develop our growing range of intellectual properties.



Plans for the Future:

- ✓ We will continue delivering property advice free at the point of access – developing a blend of staff, Register Members and expert volunteer advisers and a new website.
- ✓ We will develop our referral partnership with the Charity Commission
- ✓ We will renew our website centring on property education
- ✓ Our National Programme for Property Education 2017 – 2019 - workshops and online resource - will build property confidence and reach more organisations in deprived areas.
- ✓ We will continue to build our consultancy business in partnership with the Register.
- ✓ Our fairplace Award will continue to build as a brand.
- ✓ We will continue to build brand awareness through authoritative quality communication.
- ✓ Our 4th Charity Property Matters Survey 2018 will build EPF's authority and sector profile.
- ✓ We will continue to build up our expert and committed team.

The Ethical Property Foundation

Company Information

Governance

We are committed to ethical standards of governance reflected in our policies and practises. Annual reviews of governance led to the recruitment of a new trustee (Peter Damesick) in place of David Lipfriend who stepped down at the completion of his second term. We continue to address succession planning; diversity of trustees; our trustee code of conduct; transparency of governance and trustee development.

Staff

Falling income has necessitated careful use of staff resources. We have reviewed and upgraded salary policies and the employee hand book.

At the beginning of this year we employed 3.25 FTE

- 2 full time - CEO, Projects & Admin Assistant
- 3 part time - 2 Senior Property Advisers and a volunteer Finance Director

By the end we employed 3FTE

- 2 full time - CEO, Projects & Admin Co-ordinator
- 2 part time Senior Property Advisers

Premises

The Foundation has been housed in Development House which is owned by the Ethical Property Company plc. We pay a competitive rent. Our current lease expired on 31 March 2016 and we were renewed on favourable terms. We pay business rates separately to Hackney Council. We have now moved to Vintage House, 37 Albert Embankment, London, SE1 7TL.

The Ethical Property Family

Moving forward we seek a more strategic engagement with our sister Company and sharing of resources e.g. using EPC premises for nationwide property clinics. We are most grateful to EPC for donations from their shareholders' Dividend Waiver Fund.

Websites

The main website (www.ethicalproperty.org.uk) is well used and resources are regularly updated. Visitor figures have risen to 56,000 in 2016 up from 22,000 in 2015. However, we are currently planning a funding application for a radical overhaul to enable the website to provide users with a better education in property legal matters.

Our fairplace Award website has been developed with a new film now available on the home page featuring award holders explaining why they value the fairplace Award.

www.fairplaceaward.com

Intellectual Properties

These are now fully operational and income generating:

- ✓ Training materials & training courses: topics include managing & negotiating leases; asset transfers and saving money on premises costs.
- ✓ The fairplace Award is owned and administered by the Foundation and is fully trademarked.
- ✓ The Charity Property Matters Survey is hosted on the Charity Commission website. We retain ownership of both questionnaire and data.
- ✓ Our online 150+ page property advice library which is regularly updated.
- ✓ Commercial publications content which is licensed to clients.
- ✓ Our quarterly newsletters

Support

We gratefully acknowledge funding support this year from Trust for London, City Bridge Trust, Tudor Trust and Garfield Weston Foundation; sponsorship from Steeles Law Ltd and JADe/Ethical IT as well as donations from the Ethical Property Company, Foundation Property & Capital and Grant Monger-Godfrey

Financial Review

Funding

During the year, including staff time and a proportion of overheads, £5,360 was spent on external fund-raising (2015: £26,800).

The Foundation would like to thank the following funders who have supported or work in the financial year:

City Bridge Trust
Tudor Trust
Trust for London
Foundation Property & Capital
Grant Monger-Godfrey
Ethical Property Company
JADe/Ethical IT
Steeles Law Ltd
In Kind: Operational Research Society & RICS

Financial Review

The Foundation generated a surplus of £19,765. Cash improved to £82,072 (2015: £66,950) and unrestricted reserves increased to £79,801 (2015: £53,036). The financial improvement came from an increase in consultancy operations to replace declining grant income. Charging for our consultancy services has also been varied so that where the client is deemed to be

abler to pay then a charge is agreed. The Foundation still provides significant free or heavily discounted property advice to smaller charities, using its own staff and volunteers.

Investment powers and policy

The Foundation does not hold investments as there are insufficient reserves to enable a sufficiently diverse portfolio to meet the Foundation's low risk policy. Consequently, the Foundation keeps its reserves as cash at bank.

Reserves policy and going concern

The Foundation has a policy of maintaining sufficient unrestricted reserves to enable it to meet all of its contractual obligations, to staff and suppliers and government. There are sufficient unrestricted reserves meet this policy. At the year-end total reserves, all unrestricted, were £79,801 (2015: £53,036, Unrestricted: £41,522. Restricted £11,514).

Plans for future periods

The Foundation will continue to operate during 2016/17 as it did in 2015/16. There is an expectation that the level of consultancy income will improve as will the level of commercial sponsorship and receipt of grants for specific activities in support of beneficiaries, rather than grant for running costs. For example, the Foundation's National Programme of Property Education (for Trustees and staff at not-for-profits) is supported by the Legal Education Foundation, The Charity Bank, Simmons and Simmonds, Charity Bank, Tudor Trust and Trust for London and, non-financially, the Charity Commission.

Reference and administrative details

Charity number: 1101812

Company number: 04756158

Registered Office: Vintage House, 37 Albert Embankment SE1 7TL

Our advisers

Independent Examiners: Crichleys LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Bankers: Metro Bank PLC, 64-66 Clarence Street, Kingston, London KT1 1NP

Solicitors: Steeles Law, Lawrence House, 5 St Andrews Hill, Norwich NR2 1AD

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The trustees and officers serving during the year and since the year end were as follows:

Trustees and Directors

A Allen

T. Aanchawan

P Damesick (Appointed 15th October 2015)

M.P. Fahy

W.J. Scott

J.N.H. Whitaker

Key management personnel:***Senior managers of The Ethical Property Foundation:***

Chief Executive Officer A Swinson
Company Secretary: W.J. Scott

Structure, Governance and Management***Governing Document***

The Ethical Property Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 17 April 2003 and modified in May 2013. It is registered as a charity with the Charity Commission.

Appointment of trustees

Trustees are appointed after an open and transparent recruitment process using existing trustees' contacts and public advertisement. Trustees are chosen on their skills and the needs of the Foundation.

Trustee induction and training

New trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation***Related parties and co-operation with other organisations***

None of our trustees receive remuneration or other benefit from their work with the charity.

Pay policy for senior staff

The directors consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note XX to the accounts.

The pay of the senior staff is reviewed annually by the trustees and normally increased in accordance with average earnings.

Risk management

The trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the charity face, with the Risk Register reviewed at each Board Meeting;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the charity as grant income to pay for operating costs has declined. Consequently the charity has moved to a more social enterprise model and is increasing the amount of charged –for consultancy work as well as sponsorship of major activities. In the current year sponsorship has been arranged with Charity Bank, Simmonds and Simmonds and Ethical IT. Grant income is still be actively pitched for but this is now more to fund specific projects – such as the National Programme for Property Education, rather than general running costs.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Ethical Property Foundation for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

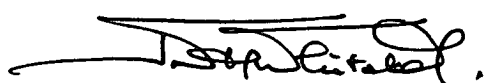
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

By order of the board of trustees



John Whitaker

Chair

27 June 2017

Independent examiner's report to the Trustees of The Ethical Property Foundation

I report on the financial statements of the company for the year ended 30 September 2016 which are set out on pages 14 to 22

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Name of examiner:

Colin Mills

Name of firm:

Critchleys LLP

Relevant professional body:

Institute of Chartered Accountants in England and Wales

Address:

Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP

Date:

28 June 2017

***The Ethical Property Foundation
Statement of Financial Activities (including
income and expenditure account) for year
ended 30 September 2016***

Statement of Financial Activities

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
		£	£	£	£
Donations & legacies					
Cash donations		14,795		14,795	31,450
In Kind Donations		12,000	8,250	20,250	34,470
Other trading activities					
Fairplace Award		10,644		10,644	8,200
Sponsorship		6,750	3,250	10,000	
Income from investments		136		136	170
Income from charitable activities					
Grants		84,300	25,000	109,300	97,200
Property Advice Service		47,751		47,751	6,784
Total income and endowments		176,376	36,500	212,876	178,274
Expenditure on Raising Funds		5,360		5,360	26,800
Expenditure on Charitable Activities		144,251	36,500	180,751	202,234
Other Expenditure		0	0	0	0
Total Expenditure		149,611	36,500	186,111	229,034
Net gains / (losses) on investments		0	0	0	0
Net income / (expenditure)		26,765	0	26,765	(50,760)
Transfer between funds		11,514	(11,514)	0	
Net movement in funds		38,279	(11,514)	19,765	(50,760)
Funds brought forward 1 October		41,522	11,514	53,036	103,796
Funds carried forward 30 September		79,801	0	79,801	53,036

In 2015 unrestricted income was £116,074 and restricted income £62,200. In 2015 unrestricted expenditure was £166,834 and restricted expenditure £62,200.

The Ethical Property Foundation
Balance Sheet as at 30 September 2016

Balance Sheet as at 30th September 2016

	2016	2015
	£	£
Trade Debtors	14,832	740
Prepayments		613
Other Debtors		
Cash at Bank and in Hand	82,072	66,950
	<u>96,904</u>	<u>68,303</u>
Deferred income	8,750	8,750
Trade Creditors	5,699	1,020
Sundry Creditors	-	3,365
Accruals	2,654	2,132
	<u>17,103</u>	<u>15,267</u>
Net Current Assets	<u>79,801</u>	<u>53,036</u>
Net Assets	<u><u>79,801</u></u>	<u><u>53,036</u></u>
Funds	79,801	41,522
Unrestricted		<u>11,514</u>
Restricted	<u>79,801</u>	<u>53,036</u>

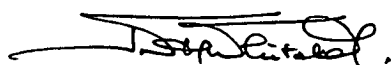
For the year ending 30 September 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved and authorised for issue by the Trustees on 27 June 2017 and signed on their behalf by JNH Whitaker



JNH Whitaker

Registered charity name:

The Ethical Property Foundation

Company registration number:

04756158 (Company limited by guarantee)

Notes on the accounts

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Ethical Property Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. There are no restatements required.

c) Preparation of the accounts on a going concern basis

The trustees have reviewed the results of the Foundation for the year ended September 2016 and the operations and cash flows since then and are satisfied that these accounts should be prepared on a going concern basis.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donated services

In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised.

Donated professional services are recognised when the service is performed and on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading and the associated support costs.
- Expenditure on charitable activities includes the costs of delivering the property advice and education by the Foundation and their associated support costs.
- Other expenditure represents those items not falling into any other heading. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

k) Operating leases

Rental charges for the use of the office from which the Foundation operates are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Plant and equipment	10-20%

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

New and existing employees who are automatically enrolled into the Foundation's money purchase scheme unless they have exercised their right to opt out of scheme membership. The Foundation will also make the same payment to the staff's own pension scheme if they opt-out of the Foundation's scheme

s) Transition to FRS 102

The opening fund balances at the date of transition have not been restated as there is no material adjustment required.

2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. 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.

3 Investment income

All of the group's investment income of £136 (2015: £170) arises from money held in interest bearing bank accounts.

4 Analysis of governance and support costs

Governance costs comprise the Independent examination fees £790 (2015: £1,200)

5 Net income/(expenditure) for the year

	2016	2015
This is stated after charging:		
Independent Examiners Fees	790	1,200

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Payroll note	2016	2015
	£	£
Salaries and wages	98,763	115,952
Social security costs	8,976	10,817
Pension costs	3,821	4,453
	111,559	134,222

No employees had employee benefits in excess of £60,000 (2015: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the Foundation in the year (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

The key management personnel of the Foundation comprise the trustees, the Chief Executive Officer and the Finance Director. The total employee benefits of the key management personnel of the Trust were £48,760 (2015: £48,760).

7 Staff Numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was 4 (2015: 4)

8 Related party transactions

Related Party Transactions

Trustee Michael Fahy partner of Steeles Law sponsorship and legal advice costs £4,391 (2015: Nil)

Ethical Property Company PLC,

Trustee (J Whitaker) is also chair of EPC serviced office £18,202 (2015: £17,807) and donation £6,000 (2015: £6,000)

Ethical IT LLP

The Ethical Property Company is a 75% owner of Ethical LLP £2,396 (2015: £2,160)

Bill Scott volunteer FD and trustee travel expenses and re-imbursement for IT consumables for charity £1,068 (2015: £nil)

Antonia Swinson

CEO,

Payment to son for proof reading, on an arms length commercial basis, £2016 (2015: £nil)

There were no other outstanding balances with related parties as at 30 September 2016 (2015: £nil).

9 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Deferred income

Deferred income comprises that element of an annually paid grant for which the activities have not yet been undertaken and thus the grant is not yet recognizable at the balance sheet date

		Deferred
Grant received (2016 and 2015)	£35,000.00	£ 8,750.00

11 Analysis of charitable funds

Movement on reserves	Restricted	Unrestricted	Total
	£	£	£
B/fwd	11,514	41,522	53,036
Transfer	(11,514)	11,514	0
Surplus for 2016		19,765	19,765
Reserves c/fwd	0	72,801	72,801

12. Lease Commitments

As at the year end the Foundation had lease commitments totalling £13,685 (2015: £nil). The amount included in expenses for lease expenditure is £19,703 (2015: £19,703).

13 Movement on Restricted Funds

	1 st Oct 15 £	Income £	Expenditure £	Transfers £	30th Sept 16 £
Current year					
Kenya Social Justice Centre	11,514	-	-	(11,514)	0
	11,514	-	-	(11,514)	0

	1st Oct 14 £	Income £	Expenditure £	Transfers £	30th Sept 15 £
Previous year					
Property Advice Service	-	55,950	(55,950)	-	-
Planning Activism	433	-	-	(433)	-
Fairplace award	-	6,250	(6,250)	-	-
Kenya Social Justice Centre	19,651	-	-	(8,137)	11,514
Supporting Social Change	5,400	-	-	(5,400)	-
	25,484	62,200	(62,200)	(13,970)	11,514

The transfers from restricted to unrestricted reserves reflect that staff time, used to deliver the projects for which the restricted resources were received, was not correctly accounted for at the end of the projects. Consequently restricted reserves arose as there was a balance on the projects that was not due back to the client. Work undertaken post the year end has confirmed that the amounts were appropriately unrestricted reserves.

14 Post-balance sheet events

There are no post-balance sheet date events (2015: nil)