

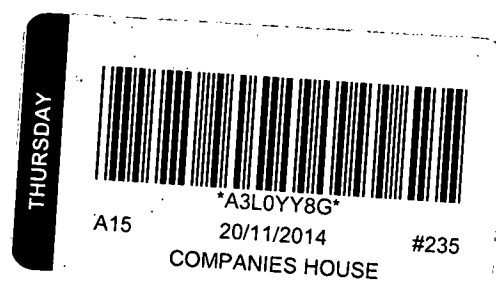
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**THE RETA LILA HOWARD FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

Registered number: 2984176  
Registered charity number: 1041634



# **THE RETA LILA HOWARD FOUNDATION**

## **Trustees' annual report and financial statements**

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## **THE RETA LILA HOWARD FOUNDATION**

### **Trustees' Annual Report**

The Trustees (who also act as directors for Companies Act purposes) have pleasure in presenting their report and financial statements for the year ended 31 March 2014.

The Trustees believe that the financial statements comply with current statutory requirements, the Charity's governing document and the requirements of the Charity SORP.

### **Charity objectives and policies**

The Charity's principal objective is to promote charitable purposes within the British Isles and the Republic of Ireland by the provision of financial grants for or towards the general or special purposes of such bodies as shall be exclusively charitable according to English law as the Company shall from time to time determine.

As Reta Lila Howard had a great interest in children, the focus of the Foundation will be to support a few innovative projects to benefit children up to the age of 16 within the British Isles (Great Britain and Ireland). The funds will be directed to selected projects to support the education of young people or to ameliorate their physical and emotional environment. Donations are intended to be given over a finite period, with the aim of a project being able to continue by itself without further funding from The Reta Lila Howard Foundation.

Grants will not be given to support individuals or organisations without charity registration numbers or to support operating expenses, budget deficits, capital projects (sole), annual charitable appeals, general endowment funds, fundraising drives or events, conferences or student aid.

It is the ongoing intention of the Trustees to distribute substantially all of the Foundation's income after meeting administration expenses.

There have been no major changes in these policies in the current period.

At present there is no dependence on volunteers, or other donations in kind.

### **Public benefit**

The trustees have had regard to the Charity Commission guidance on public benefit and paid due regard to it in deciding what activities the charity should undertake.

The trustees are satisfied that the ongoing grants they are making means that the charity is continuing to meet the public benefit requirement.

### **Financial review**

The Trustees have organised the investment of funds with three investment managers, as detailed on pages 3 and 4.

Investment income amounting to £73,947 was earned. Gains on investments during the current year amounted to £1,511,394.

Eighteen grants amounting to £360,000 were allocated during the year, in accordance with the above policies and objectives.

At the Board Meetings held on 2 June 2014, a further eighteen grants were approved totalling £417,000. These grants were paid in July 2014.

## THE RETA LILA HOWARD FOUNDATION

### Trustees' Annual Report (continued)

#### Financial review (continued)

Investments had a market value of £17,244,033 at the end of the period. Overall the net assets of the Foundation at 31 March 2014 are £17,229,327. The funds are adequate to fulfil the obligations of the Charity.

#### Legal and administrative details

##### *Constitution*

The Reta Lila Howard Foundation was incorporated as a company limited by guarantee (registered number 2984176) on 24 October 1994. The governing document is the Memorandum and Articles of the Company, as amended by special resolutions dated 6 October 1995, 2 January 1996 and 12 November 2007.

The Foundation is also a registered charity (registered number 1041634).

Specific restrictions imposed by the governing document are:

- (i) if the Company takes or holds any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trust: and
- (ii) the income and property of the Company shall be applied solely towards the promotion of its object.

The Trustees may invest the funds of the company not immediately required for its purposes in or upon such investments, securities or property as they think fit, and from time to time to transpose, vary and realise such investments subject to such conditions and such consensus as may be required by law and subject also to the provisions of the Memorandum of Association.

##### *Directors ('the Trustees')*

The Directors of the Company in the period have been:

Christian Bauta	(appointed 18 November 2013)
Pilar Bauta	(resigned 18 November 2013)
Charles Burnett	
Geordie Dalglish	
Sarah Eidson	(appointed 18 November 2013)
Garfield Mitchell	
Mark Mitchell	(appointed 18 November 2013)
Melissa Murdoch	
Tamara Rebanks	
Alannah Weston	
Galvin Weston	(resigned 18 November 2013)

The Trustees are appointed by resolution of the Board, whereby the Directors of the Company unanimously agree. Upon appointment, Trustees are supplied with copies of recent accounts and minutes and are advised on changes to charity law and accounting at Trustees' meetings. All decisions of the charity are made by the Trustees at their meetings.

## **THE RETA LILA HOWARD FOUNDATION**

Trustees' Annual Report (continued)

### **Legal and administrative details (continued)**

#### *Registered Office:*

4 Felstead Gardens  
Ferry Street  
London  
E14 3BS

#### *Advisers*

The advisers to the Charity during the year have been:

#### *Bankers*

Schroder & Co Ltd  
31 Gresham Street  
London  
EC2V 7QA

#### *Accountants and Auditors*

Clark Brownscombe Limited  
8 The Drive  
Hove  
BN3 3JT

#### *Secretary*

Jamestown Investments Limited  
4 Felstead Gardens  
Ferry Street  
London  
E14 3BS

#### *Investment Managers*

Morningstar Associates Europe Limited  
1 Olivers Yard  
55/71 City Road  
London  
EC1Y 1HQ

J P Morgan International Bank Limited  
125 London Wall  
London  
EC2Y 5AJ

Schroder Investment Management Limited  
31 Gresham Street  
London  
EC2V 7QA

## **THE RETA LILA HOWARD FOUNDATION**

### **Trustees' Annual Report (continued)**

#### **Trustees' responsibilities**

The trustees (who are also directors of The Reta Lila Howard Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

#### **Investment policy**

Investment powers are governed by the Memorandum of Association which permit funds to be invested in any security as may be thought fit.

The investment policy of the charity is designed to enable the Trustees to achieve sufficient resources to pay out grants and to achieve the objectives of the Reserves policy.

The Trustees consider that the investment performance has been satisfactory in the light of market conditions and investment objectives.

## THE RETA LILA HOWARD FOUNDATION

Trustees' Annual Report (continued)

### Reserves policy

The Trustees seek to maintain the value of the original endowment as adjusted for United Kingdom inflation since the date of the original endowment.

At 31 March 2014, the Charity had expendable endowment funds of £17,229,327.

The Trustees are satisfied that the current reserves are adequate to ensure the smooth day to day operations of the Charity.

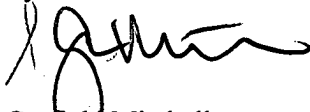
### Major risks

The Trustees have reviewed the major risks to which the Charity is exposed and are satisfied that controls are in place to manage those risks.

### Auditors

A resolution to reappoint the auditors, Clark Brownscombe Limited, will be proposed at the forthcoming annual general meeting.

By order of the board



Garfield Mitchell  
Trustee/Director

Date: Nov-17 2014

Registered Office  
4 Felstead Gardens  
Ferry Street  
London  
E14 3BS

## **THE RETA LILA HOWARD FOUNDATION**

### **Independent Auditors' Report to the Members of The Reta Lila Howard Foundation**

#### **Scope of audit**

We have audited the financial statements of The Reta Lila Howard Foundation for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

As audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



## THE RETA LILA HOWARD FOUNDATION

### Independent Auditors' Report to the Members of The Reta Lila Howard Foundation (continued)

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

We have nothing to report in respect of the following matters where 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;
- the financial statements are not in agreement with the accounting records and returns;
- 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.



John Thacker, Senior Statutory Auditor  
for and on behalf of  
Clark Brownscombe Limited, Statutory Auditor  
Chartered Accountants  
Registered Auditors

8 The Drive  
Hove  
BN3 3JT

Date: 17 November 2014

# THE RETA LILA HOWARD FOUNDATION

## Statement of Financial Activities for the year ended 31 March 2014

		Unrestricted Funds	Expendable Endowment Funds	Total Year ended 31 March 2014	Total Year ended 31 March 2013
	Notes	£	£	£	£
<b>Incoming resources</b>					
Investment income	2	73,947	-	73,947	57,836
<b>Total incoming resources</b>		<u>73,947</u>	<u>-</u>	<u>73,947</u>	<u>57,836</u>
<b>Resources expended</b>					
Costs of generating funds		20,658	-	20,658	21,157
Charitable activities	3	378,547	-	378,547	464,790
Governance costs	4	2,995	-	2,995	2,880
<b>Total resources expended</b>		<u>402,200</u>	<u>-</u>	<u>402,200</u>	<u>488,827</u>
<b>Net outgoing resources for the period</b>		(328,253)		(328,253)	(430,991)
Transfer between funds		<u>328,253</u>	<u>(328,253)</u>	<u>-</u>	<u>-</u>
		-	(328,253)	(328,253)	(430,991)
<b>Other recognised gains and losses</b>					
Surplus on investment assets		-	1,511,394	1,511,394	2,463,570
		-	1,183,141	1,183,141	2,032,579
<b>Fund balances brought forward at 1 April 2013</b>		-	16,046,186	16,046,186	14,018,292
<b>Fund balances carried forward at 31 March 2014</b>		<u>-</u>	<u>17,229,327</u>	<u>17,229,327</u>	<u>16,046,186</u>

The net outgoing resources for current and previous financial periods arose from continuing operations.

There are no other recognised gains and losses in the period.

The notes on pages 11 to 15 form part of these financial statements

## THE RETA LILA HOWARD FOUNDATION

Summary income and expenditure account  
for the year ended 31 March 2014

	2014 £	2013 £
Total income of continuing operations	73,947	57,836
Total expenditure of continuing operations	<u>402,200</u>	<u>488,827</u>
<b>Net expenditure for the period</b>	<b><u>(328,253)</u></b>	<b><u>(430,991)</u></b>

The total income comprises £73,947 for unrestricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Expenditure of £402,200 is as shown on the Statement of Financial Activities. Detailed analysis of expenditure is provided in the Statement of Financial Activities and Notes 3 and 4.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 8, which together with the notes to the accounts on pages 11 to 15 provide full information on the movements during the period on all funds of the company.

There is no difference between the results as stated and the results on a historical cost basis.

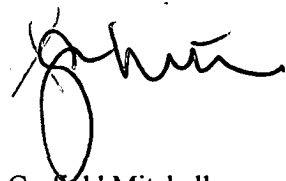
The notes on pages 11 to 15 form part of these financial statements

**THE RETA LILA HOWARD FOUNDATION**  
**(Company Number 2984176)**

Balance Sheet  
as at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
<b>Fixed assets</b>			
Investments	7	17,244,033	16,061,472
<b>Creditors: amounts falling due within one year</b>	8	<u>14,706</u>	<u>15,286</u>
<b>Net current assets/(liabilities)</b>		(14,706)	(15,286)
<b>Net assets</b>		<u>17,229,327</u>	<u>16,046,186</u>
<b>Funds</b>	9		
Capital			
Expendable endowment fund		17,229,327	16,046,186
Income			
Unrestricted		<u>-</u>	<u>-</u>
		<u>17,229,327</u>	<u>16,046,186</u>

These financial statements were approved by the Trustees on 17/11/14 and were signed on its behalf by:-



Garfield Mitchell  
Trustee/Director

The notes on pages 11 to 15 form part of these financial statements

# **THE RETA LILA HOWARD FOUNDATION**

## **Notes**

*(forming part of the financial statements)*

### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005).

#### *Cash flow statement*

In accordance with Financial Reporting Standard Number 1, the company is exempt from the requirement to prepare a cash flow statement on account of its size.

#### **Fund accounting**

The charity has various types of funds for which it is responsible:

##### *Unrestricted funds*

These funds are for use on the general charitable objectives of the Charity.

##### *Expendable endowment funds*

These funds are held as capital and classified as expendable at the discretion of the Trustees. Income is taken to unrestricted funds.

#### **Incoming resources**

##### *Donations*

Donations are recognised on receipt.

##### *Investments and investment income*

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities. Gains or losses on investments are calculated as the difference between the disposal proceeds and the carrying value at the previous year end and from the movement in market values during the period.

# THE RETA LILA HOWARD FOUNDATION

## Notes (continued)

### 1. Accounting policies (continued)

#### Resources expended

Resources expended are accounted for on an accruals basis. Support costs are shown separately under Charitable activities.

Grants are awarded in line with the charity's objectives and policies and are accounted for on a payable basis.

#### Taxation

The company is a registered charity and under Section 505(1) of the Income and Corporation Taxes Act 1988 is exempt from taxation on its charitable activities.

### 2. Investment income

The investment income is analysed as follows:

	2014 £	2013 £
Dividends and other investment income	73,584	57,503
Interest on cash on deposit at bank and with stockbrokers	<u>363</u>	<u>333</u>
	<u>73,947</u>	<u>57,836</u>

### 3. Charitable activities

	2014 £	2013 £
Grants	360,000	449,000
Administrative costs	16,070	13,342
Legal and professional fees	<u>2,477</u>	<u>2,448</u>
	<u>378,547</u>	<u>464,790</u>

Details of the grants paid in the year can be obtained from the Secretary of the company.

Legal and professional fees include £2,448 (2012: £2,448) in respect of accountancy services provided by the auditors.

### 4. Governance costs

	2014 £	2013 £
Audit fees	<u>2,995</u>	<u>2,880</u>

# THE RETA LILA HOWARD FOUNDATION

## Notes (continued)

### 5. Trustees' remuneration

No Trustees, or connected persons, received any remuneration during the year. Reimbursement of travel and subsistence expenses incurred by 6 Trustees amounted to £7,202 (2013: £4,966 in respect of 7 trustees).

### 6. Staff numbers and costs

No staff were employed during the period.

### 7. Fixed asset investments

	£
Market value at 1 April 2013	16,061,472
Additions	3,286,801
Disposals	(3,753,160)
	15,595,113
Realised gain/(loss)	(81,426)
Unrealised gain/(loss)	1,594,277
	17,107,964
Increase/(decrease) in cash held by stockbrokers	136,069
Market value at 31 March 2014	<u>17,244,033</u>
Cost at 31 March 2014	<u>12,260,338</u>

Investments comprising more than 5% of the portfolio value at 31 March 2014 were:

110,000 Associated British Foods plc ordinary shares	3,059,100
1,366,753 SSGA UK Equity Tracker Fund	2,596,831
618,809 HSBC American Index Fund	1,775,983
173,820 HSBC European Index Fund	1,133,135
39,562 IShares SP Small Cap 600	1,065,009
1,294,584 HSBC Japan Index Fund	924,850

	2014	2013
Investment assets in the UK	15,743,550	14,653,369
Investment assets outside the UK	<u>1,500,483</u>	<u>1,408,103</u>
	<u>17,244,033</u>	<u>16,061,472</u>

Investment are further analysed between:

Investments listed on recognised stock exchange	16,912,440	15,865,949
Cash	<u>331,593</u>	<u>195,523</u>
	<u>17,244,033</u>	<u>16,061,472</u>

# THE RETA LILA HOWARD FOUNDATION

## Notes (continued)

The following investments were subject to restrictions on their realisation:

	Market Value at 31 March 2014 £	Further Commitment €
Schroders Private Equity Issue III	<u>184,212</u>	<u>-</u>
Schroders Private Equity Issue IV	<u>112,149</u>	<u>22,500</u>

The further committed funds are projected to be paid over the following period:

### Schroders Private Equity Issue III

Additional investor contributions have been deferred until further notice, at 87.5% of originally committed capital and hence no additional capital is required from investors. Capital distributions are projected to begin via dividends from 2013 onwards. Investors are projected to receive the full amount of their original investment around 2016-2017 with upside potential continuing for the remaining life of the investment. The projection continues until 2022.

### Schroders Private Equity Issue IV

Investor contributions are projected to conclude in 2014, at approximately 80% of originally committed capital. Capital distributions are projected to begin via dividends from 2014 onwards. Investors are projected to receive the full amount of their original investment around 2017-2018 with upside potential continuing for the remaining life of the investment. The projection continues until 2024.

## 8. Creditors: amounts falling due within one year

	2014 £	2013 £
Accruals	<u>14,706</u>	<u>15,286</u>

## 9. Funds

The funds are represented by the following assets:

	Unrestricted Funds £	Endowment Funds £	Total 2014 £	Total 2013 £
Fixed assets	-	17,244,033	17,244,033	16,061,472
Net current (liabilities)/assets	-	(14,706)	(14,706)	(15,286)
	<u>-</u>	<u>17,229,327</u>	<u>17,229,327</u>	<u>16,046,186</u>

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions imposed.

The expendable endowment represents the founding donation. No restrictions have been imposed on the use of income. The capital is required to be invested but is expendable where the Trustees at their discretion apply the funds as income in furtherance of the charitable objects of the Foundation.



## **THE RETA LILA HOWARD FOUNDATION**

### **Notes** *(continued)*

#### **10. Members**

The Reta Lila Howard Foundation is limited by guarantee having no share capital and in accordance with Clause 6 of the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2014 there were 9 members.