

JAMES MARSHALL FOUNDATION CIO

TRUSTEES' ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

JAMES MARSHALL FOUNDATION CIO  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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**JAMES MARSHALL FOUNDATION CIO**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Trustees for the year ended 31 March 2023**

**CHAIRMAN** Mr. J. M. R. Finch

**VICE-CHAIRMAN** Mr. K. Andrews

Mr. C. J. Canfield

Ms. A. Davies

Mr. A. J. Large

Mrs. N. K. R. Linacre - resigned 23 June 2022

Mr K. D. Oxley - resigned 24 May 2022

Mr. R. J. Pryn

Ms. R. Shah - resigned 22 November 2022

Mr. M. Whitley

**EMAIL** [office@jamesmarshallfoundation.co.uk](mailto:office@jamesmarshallfoundation.co.uk)

**WEBSITE** [www.jamesmarshallfoundation.co.uk](http://www.jamesmarshallfoundation.co.uk)

**CHARITY REGISTRATION NUMBER** 1181004

**JAMES MARSHALL FOUNDATION CIO**

**Advisors for the year ended 31 March 2023**

**OFFICE**

Unit 6, 17 Leyton Road  
Harpenden  
Hertfordshire AL5 2HY

**ADMINISTRATION**    Foundation Manager  
                                 Grant Manager  
                                 Foundation Associates

Mrs. P. Whiting  
Mr. N. Hodgins  
Ms. F. Brown  
Ms. A. Letcher

**AUDITOR**

David M. Rees & Associates Limited  
Well Cottage  
Cucumber Lane  
Essendon  
Hertfordshire AL9 6JB

**SOLICITOR**

S A Law  
Gladstone Place  
36-38 Upper Marlborough Road  
St Albans  
Hertfordshire AL1 3UU

**BANKER**

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent ME19 4JQ

**PROPERTY MANAGEMENT**

HO2 (Brighton) Ltd  
Suite G, Pavilion House West  
King Business Centre  
Sayers Common  
East Sussex BN6 9LS

**BUILDING SURVEYOR**

Evans & Crawley  
Bridge House  
Water Meadow  
Chesham  
Buckinghamshire HP5 1LF

**JAMES MARSHALL FOUNDATION CIO**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their annual report and financial statements of the charitable incorporated organisation for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the constitution of the Foundation when the entity was established on 5 December 2018 (26 September 2022 revision), the Charities Act 2011, and the Charities Statement of Recommended Practice ("Charities SORP") applicable to Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) second edition issued in October 2019.

### **Structure**

James Marshall Foundation CIO is a charitable incorporated organisation with registered number 1181004. It was incorporated on 5 December 2018 as the successor entity to James Marshall Foundation, a Charity with registration number 312127 established by the Will of Mr James Marshall dated 30 December 1719 and bequeathed on his death in 1722. James Marshall Foundation ceased operating on 31 March 2019 and the assets and operations were transferred to James Marshall Foundation CIO on 1 April 2019. The remit of the charitable incorporated organisation remained the same, but transferring the assets and operations into this structure facilitated better governance and provided greater protection over sustainability of the Charity.

### **Objectives and activities for the public benefit**

The purpose of James Marshall Foundation CIO is to advance in life young people living in Harpenden, Wheathampstead, Kimpton, Redbourn, Flamstead and Markyate and the hamlet of East Hyde who are under the age of 25 and in financial hardship by the provision of grants to assist with their education and career development. The locations of Kimpton, Redbourn, Flamstead and Markyate were included from 19 August 2021 after receipt of Charity Commission approval to expand the catchment area. To fulfil that purpose, the Foundation awards grants towards the cost of the following items/activities:

- Travel and equipment for work including apprenticeships
- Accommodation, books, equipment, travel for diplomas, degrees and postgraduate degrees
- Further educational courses and career development opportunities
- School trips, school uniform, books, equipment and laptops
- Extra-curricular activities such as music and sport

In setting the aims and objectives together with planning the future activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. Grants are awarded to individuals in the local community who meet the eligibility criteria. These grants provide opportunities to young people where, without such funding, the financial cost would be a barrier. In this way, the Foundation is able to make a difference to the circumstances of its beneficiaries in assisting to develop their career or enrich their educational experience.

### **Investment, policy and performance**

The financial objective of the Foundation is to at least maintain the real value of the assets whilst generating a stable and sustainable return to fund grant making. The Capital Fund comprises investment properties and long term investments in a portfolio of global equities and corporate bonds ("the pooled fund") managed by an independent advisor and is a permanent endowment. The net assets of this fund are held for the purpose of generating income for the Distribution Fund, from which the grants are paid. Over recent years the Capital Fund has not maintained its real value, however, this has been exacerbated by the higher levels of inflation over the last 2 years.

The property portfolio was professionally valued at 31 March 2021 for inclusion in the Foundation's accounts by Mr. R. Hayler FRICS, Registered Valuer of HO2 (Brighton) Limited, Chartered Surveyors, at £5,300,000. The Trustees have performed an internal valuation of the property portfolio at 31 March 2023, considering the following relevant factors:

- All rent relating to the financial year was received.
- There is diversification across the portfolio, with tenants from different sectors, which lessens the effect of specific fluctuations relevant to one sector.

**JAMES MARSHALL FOUNDATION CIO**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

- The Trustees have commissioned a series of property inspections in recent years which have supported the fact that the properties are in a good state of repair.
- The properties are all held for the long term and the Trustees currently have no intention to dispose of any property.

The Trustees confirm that maintaining the overall market value at £5,300,000 is reasonable, however they are aware of the additional uncertainties around this valuation due to the difficult economic conditions. The next independent valuation is due at 31 March 2026.

There has been a short term decline in pooled investment value in line with general market movements, however, this is expected to be a short term issue.

The Trustees are undertaking a review of the investments held in the Capital Fund to ensure they are appropriate to deliver the objective of maintaining the real value over the longer term and generating a return for distribution.

### **Risk management**

The principal risks faced by the Foundation are vacant periods in rental income, unpaid rent, unexpected repair & maintenance costs and losses crystallising on the sale of long term investments. The Trustees have a risk management strategy which comprises a regular review of the major risks which the Foundation faces and the establishment of systems and procedures to identify those risks. This enables the Trustees to implement required actions to minimise any potential impact on the Foundation.

### **Reserves policy**

The Foundation has net current assets in its Distribution Fund amounting to £952,668 at 31 March 2023. The Trustees consider that £300,000 of this balance should be retained to meet the costs of potential vacant periods, repairs & maintenance costs, losses crystallised on the sale of property and generally to safeguard the Foundation financially. The Trustees consider that the assets are available and sufficient to meet all of the Foundation's obligations.

### **Review of performance**

During the year 1,021 grants were awarded and a breakdown of the categories of grants was:

**Year ended 31 March 2023**

Degree & postgraduate degree	31
Diploma & Educational course	5
Computer/Digital device	181
Travel	12
School Uniform	336
Extra-curricular: Music – Drama - Sport	144
Scouts/Guides/Duke of Edinburgh	27
School Trips	230
Educational equipment	41
Books	14
<b>Total</b>	<b>1021</b>

The total value of grants awarded was £307,119 (a 69% increase on the prior year). There were also grants outstanding for awards in the previous year of £17,176 unpaid at 31 March 2023, mainly due to cancellations. This phenomenal increase reflects the economic difficulties resulting in greater numbers of families financially struggling, the expansion of the Foundation's catchment area, closer relationships with referral sources, a significant number of young people newly arrived from Ukraine and greater awareness of the Foundation. Whilst the level of grant applications and awards was higher than anticipated at the start of the year, the Trustees felt that in these very difficult times it was important that the Foundation was able to respond and adapt to this increase in grant activity and seamlessly continue to play a key role in financially supporting eligible young people in the local community.

**JAMES MARSHALL FOUNDATION CIO**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

**Financial review**

The Foundation's principal sources of funding are rental income from commercial properties and dividend income from financial investments. The income received supports the grant making each year and grants are only awarded if the income is available. During the year the Foundation received a total of income of £411,416 of which £361,009 was for property income. Property expenditure and costs totalled £64,000 being a return on the fair value of the properties of 5.6%. Of the available income after all costs of £269,093, grants were awarded of £307,119. In addition, there were grants outstanding for awards in earlier years unpaid at 31 March 2022 of £17,176 which were cancelled. The increase in staff costs is directly associated with the increase in grant activity. The deficit in income after allocation of the devaluation of investment of £52,972 has been deducted from the distribution fund. A property repair matter is currently being investigated where remedial action will be required, but the Trustees are comfortable that there will be no longer term impairment to the value of the property. Liabilities have been recognised in line with the accounting policy for expenditure recognition and so the costs of the initial assessment have been accrued.

**Plans for the future**

James Marshall Foundation CIO is a lasting testimony to the generosity of James Marshall. The Foundation is expected to exist in perpetuity and investments are managed to ensure this sustainability. The Trustees are aware of need to assist both current and future beneficiaries.

**Governance and management**

The Board of Trustees consists of up to ten Trustees who should live in the catchment area of the Charity. Trustees attend approximately five Board meetings a year. There are four Committees of the Board: Grant Awarding, Finance & Operations, Property and Marketing & Communications. These Committees meet regularly during the year. The Foundation has been awarded the Charity Excellence Framework Quality Mark, acknowledging the attention given to effective governance and management.

**Trustee appointment, induction and training**

When a vacancy for a Trustee position arises, the Foundation advertises widely in both local publications and websites and with appropriate national organisations. Social media postings also highlight the vacancy and local organisations are made aware such as Harpenden Town Council and Wheathampstead Parish Council.

The applicants are then shortlisted and a number invited to an interview to meet with a panel of Trustees. The selected candidates are then endorsed by the full Board. The standard term of office is three years and a Trustee may only be reappointed after nine years under exceptional circumstances. Trustees sign a Declaration of Acceptance of Office when appointed or re-appointed. On election as a Trustee, an individual assumes a number of responsibilities. Trustees are reminded that they are accountable in law for the good governance of the Foundation and all new Trustees receive a thorough induction. Trustees are requested to complete training courses as required to update and develop their skills. Decisions relating to the structure of the Charity, policies and procedures and the management of the Foundation's assets are made by the Board of Trustees after taking professional advice where appropriate. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

**Key personnel**

The day to day operations of the Foundation are managed by the Foundation Manager, assisted by a Grant Manager and two Foundation Associates. They provide support and information to the Board and Committees, implement the decisions, ensure legal and regulatory compliance including preparing appropriate risk assessments, keep accurate financial records, manage the grant awarding process including liaising with applicants and suppliers and making subsequent payments and work with professional advisers and other organisations. All members of staff work on a part-time basis.

**Website and social media**

The charity's website, [www.jamesmarshallfoundation.co.uk](http://www.jamesmarshallfoundation.co.uk), provides information and supplies details of the types of grants awarded by the Foundation and has a link to the online application form. The Foundation also has a social media presence with Facebook and Twitter accounts (handle @jmf1722) to promote greater awareness amongst the local community.



**JAMES MARSHALL FOUNDATION CIO**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

**300<sup>th</sup> Anniversary**

James Marshall Foundation was established by the Will of James Marshall in June 1722. The Trustees were delighted to honour the founder and celebrate reaching the 300<sup>th</sup> Anniversary by arranging a Concert held at St Helen's Church in Wheathampstead on 23 June 2022, outside of which James Marshall's grave stands. The Concert was attended by Robert Voss CBE CStJ Lord-Lieutenant of Hertfordshire and Sally Burton DL, High Sheriff of Hertfordshire along with supporters and beneficiaries of the Foundation. Six local schools performed beautifully and made the Concert a wonderful tribute to James Marshall and his legacy.

**Trustees' responsibilities in relation to the financial statements**

The Charity Trustees are responsible for preparing the Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 Charity and of the incoming resources and application of resources, of the Charity 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 applicable Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

**Auditors**

David M. Rees & Associates Limited will not be seeking re-appointment and new auditors will be selected and appointed for the year ending on 31 March 2024.

Approved by the Trustees on 19 July 2023

and signed on their behalf by:

Unit 6, 17 Leyton Road  
Harpenden  
Hertfordshire AL5 2HY



Mr. J. M. R. Finch  
Chairman of the Trustees



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF JAMES MARSHALL FOUNDATION CIO

### **Opinion**

We have audited the financial statements of James Marshall Foundation CIO for the year ended 31 March 2023 which comprise the Statements of Financial Activities, the Balance Sheet, and the related notes to the financial statements, including 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 charity's affairs as at 31 March 2022, 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 Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sharan C. Rees FCA  
Statutory Auditor



David M. Rees & Associates Limited

WELL COTTAGE  
CUCUMBER LANE  
ESSENDON  
HERTFORDSHIRE AL9 6JB

DAVID M. REES & ASSOCIATES LIMITED  
Chartered Accountants and Statutory Auditors

DATED 21 July 2022

DAVID M. REES & ASSOCIATES LIMITED is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

**JAMES MARSHALL FOUNDATION CIO**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		£	£
<b>UNRESTRICTED FUNDS - General funds for distribution</b>			
<b>Income</b>			
Donations	2	1,435	175
Investment income			
Property income - Rent		332,613	323,806
Commission		3,698	3,362
Recoverable costs - Insurance		21,828	18,988
Professional fees		720	720
Grounds maintenance		2,150	2,150
Dividends and interest	3	48,972	41,423
<b>Total Income</b>		<b>411,416</b>	<b>390,624</b>
<b>Expenditure</b>			
Costs of generating funds			
Property expenditure	4	40,734	23,438
Property management	5	22,513	14,567
Investment management	6	753	549
		<u>64,000</u>	<u>38,554</u>
Expenditure on charitable activities			
Grants awarded to individuals in the year		307,119	181,831
Grants for awards in earlier years		-17,176	-20,068
		<u>289,943</u>	<u>161,763</u>
Office expenses	6	49,688	31,314
Support costs	7	28,635	28,333
		<u>368,266</u>	<u>221,410</u>
<b>Total expenditure</b>		<b>432,266</b>	<b>259,964</b>
<b>Net income and net movement in unrestricted funds</b>			
<b>before gains and losses on investments</b>		-20,850	130,660
Surplus/deficit on revaluation of investments	11	-32,122	35,240
<b>NET MOVEMENT IN UNRESTRICTED FUNDS</b>			
<b>FOR THE YEAR</b>		-52,972	165,900
Unrestricted funds at 1 April 2022		1,005,640	839,740
Total unrestricted funds at 31 March 2023		<u>952,668</u>	<u>1,005,640</u>
<b>RESTRICTED FUNDS</b>			
Restricted funds at 1 April 2022		6,112,568	6,048,061
Surplus/deficit on revaluation of investment	11	-30,757	64,507
Total restricted funds at 31 March 2023		<u>6,081,811</u>	<u>6,112,568</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

**JAMES MARSHALL FOUNDATION CIO**  
**BALANCE SHEET AT 31 MARCH 2023**

	Notes	<u>2023</u>		<u>2022</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investment properties	10	5,300,000		5,300,000	
Investment	11	1,551,256		1,614,135	
Tangible fixed assets	12	<u>698</u>		<u>508</u>	
Total fixed assets			<b>6,851,954</b>		<b>6,914,643</b>
<b>CURRENT ASSETS</b>					
Debtors and prepayments	13	15,323		14,049	
Short term deposits		315,640		305,329	
Cash at bank		<u>20,531</u>		<u>12,327</u>	
Total current assets		<u><b>351,494</b></u>		<u><b>331,705</b></u>	
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	14	<u>-168,969</u>		<u>-128,140</u>	
Net current assets			<u>182,525</u>		<u>203,565</u>
<b>TOTAL NET ASSETS</b>			<u><b>7,034,479</b></u>		<u><b>7,118,208</b></u>
 <b>RESTRICTED FUNDS</b>	 15		 <b>6,081,811</b>		 <b>6,112,568</b>
 <b>UNRESTRICTED FUNDS</b>	 15		 <b>952,668</b>		 <b>1,005,640</b>
 <b>TOTAL FUNDS</b>			 <u><b>7,034,479</b></u>		 <u><b>7,118,208</b></u>

Signed on behalf of the Trustees



Mr. K. Andrews  
VICE CHAIRMAN

Approved by the Trustees on 19 July 2023

Charity Number 1181004

**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts to include certain items at fair value. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the James Marshall Foundation CIO's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by James Marshall Foundation CIO are the level of rental and investment return and the performance of the property and investment markets.

The financial statements are presented in sterling which is the functional currency of the Charity.

James Marshall Foundation CIO constitutes a public benefit entity as defined by FRS 102.

The significant accounting policies applied in the preparation of these financial statements are set out below.

**b. Funds structure**

The Charity has restricted and unrestricted funds :

- (i) Restricted fund - the assets currently held have been derived from the original bequest of Mr James Marshall to be preserved for the purpose of generating income. The income generated is available to fund grant making.
- (ii) Unrestricted fund - comprises the accumulated undistributed incoming resources generated from the investments held in the restricted fund.

Investment gains and losses are allocated to the appropriate fund.

**c. Income recognition**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rent receivable is recognised on an accruals basis apportioned to the year under review.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and any performance related conditions met.

Investment income is included when receivable and the amount can be measured reliably by the Foundation: this is normally upon notification of the interest paid or payable by the bank or the dividend paid or payable by the fund.

**d. Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where expenditure is attributable to more than one activity, it has been apportioned across the cost categories on the basis of staff time, a basis considered to be consistent with the use of resources acquired.

**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

- d. **Expenditure recognition continued**  
Grants are awards to third parties in the furtherance of the charitable objects of the Foundation. Grants are accounted for when they are awarded.
- e. **VAT**  
Input VAT not recoverable as a result of the Charity's partial exemption status is shown separately in the financial statements.
- f. **Allocation of support and governance costs**  
Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and an apportionment of office expenses.
- g. **Fixed asset investment properties**  
Investment properties are stated at fair value as determined periodically by professionally qualified independent external valuers, with interim annual valuation assessments by the Trustees with advice from the managing agent, HO2 (Brighton) Limited. The Statement of Financial Activities includes the net gains and losses arising on revaluation, acquisitions and disposals, where applicable, throughout the year.
- h. **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 Mid Market Valuation. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.  
  
The Foundation does not acquire put options, derivatives or other complex financial instruments.
- i. **Realised gains and losses**  
The main form of financial risk faced by the charity is that of volatility in commercial property and equity 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. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investment properties are calculated as the difference between sales proceeds and their opening fair 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 at the beginning of the year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
- j. **Pension costs**  
Contributions in respect of the Foundation's defined contribution automatic enrolment scheme are charged to the Statement of Financial Activities for the year in which they are payable to the pension scheme.
- k. **Tangible fixed assets and depreciation for use by the Foundation**  
Assets costing £500 or above are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost or revaluation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:  
Office and estate equipment - 25% straight line on original cost.



**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

2.	<b>DONATIONS</b>	<b>£1,435</b>	<b>£175</b>
	The Foundation was chosen as the recipient from community fundraising events		
3.	<b>INVESTMENT INCOME</b>	<b>2023</b>	<b>2022</b>
	Interest	£	£
	National Savings and Investment Income Bond	2,259	215
	CAF Bank accounts	352	13
	Nationwide Business Saver account	1,049	168
	Total interest on cash deposits	<u>3,660</u>	<u>396</u>
	Dividends		
	COIF Charities Investment Fund Income Units	40,971	37,748
	COIF Charities Ethical Investment Fund Income Units	4,341	3,279
	Total investment income	<u>48,972</u>	<u>41,423</u>
4.	<b>PROPERTY EXPENDITURE</b>	<b>2023</b>	<b>2022</b>
		£	£
	Repairs and maintenance	7,176	0
	Insurance	22,033	19,228
	Grounds maintenance	2,683	2,921
	Service charges	6,897	0
	VAT partial exemption - VAT not recoverable	1,945	1,289
		<u>40,734</u>	<u>23,438</u>
5.	<b>PROPERTY MANAGEMENT</b>	<b>2023</b>	<b>2022</b>
		£	£
	Management fees	14,642	10,920
	Legal and professional fees	4,860	1,450
	Office expenses - 4% (2022 - 4%) (Note 6)	3,011	2,197
		<u>22,513</u>	<u>14,567</u>
6.	<b>OFFICE EXPENSES</b>	<b>2023</b>	<b>2022</b>
		£	£
	Building maintenance and water	1,094	142
	Rates	379	379
	Printing & stationery	953	755
	Postage and sundries	319	1,029
	Staff salary	64,649	46,479
	IT development and support	3,776	1,797
	Charity insurance	461	310
	Light, heat & telephone	1,420	1,197
	Bank charges	100	96
	Depreciation	351	666
	Publicity	291	356
	VAT partial exemption - VAT not recoverable	1,491	1,730
		<u>75,284</u>	<u>54,936</u>

Continued



**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

**6. OFFICE EXPENSES Continued**

Allocated on the basis of staff time as follows:	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	%	£	%	£
Properties	4	3,011	4	2,197
Grants	66	49,688	57	31,314
Governance	29	21,832	38	20,876
Investments	1	753	1	549
	<u>100</u>	<u>75,284</u>	<u>100</u>	<u>54,936</u>

**7. SUPPORT COSTS**

	<u>2023</u>	<u>2022</u>
	£	£
Governance and support costs		
Office expenses - 29% (2021 - 38%) (Note 6)	21,832	20,876
Auditor's remuneration	4,000	4,000
Training, meetings and other costs	1,239	1,117
300th Anniversary celebration	837	1,446
Trustees insurance	727	894
	<u>28,635</u>	<u>28,333</u>

**8. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

	<u>2023</u>	<u>2022</u>
Salaries	63,337	45,358
Employers National Insurance	14	2
Pension costs	1,298	1,119
	<u>64,649</u>	<u>46,479</u>

The average monthly headcount was 3 staff (2022 - 2) and the average monthly number of full time equivalent employees during the year was 1.5 (2022 - 1.0).

The Foundation considers its key management personnel is the Foundation Manager whose benefits totalled £43,515 (2022 - £38,109).

No employees received emoluments in the year in excess of £60,000 (2022 - None).

**REMUNERATION AND EXPENSES PAID TO TRUSTEES**

No remuneration is paid to any Trustee.

£137 (2022 - £654) in total was reimbursed to three Trustees who purchased items costing this amount on behalf of the Foundation.

**9. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £4,000 (2022 - £4,000)

**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

		<u>2023</u>	<u>2022</u>
		£	£
10. FIXED ASSET INVESTMENT PROPERTIES			
Investment properties at fair value	At 1 April 2022	5,300,000	5,300,000
	Surplus on revaluation	0	0
	At 31 March 2023	<u>5,300,000</u>	<u>5,300,000</u>

The historical cost prior to incorporation of the investment properties is £2,730,376.

The investment properties were professionally valued at 31 March 2021 by Mr. R. Hayler FRICS, registered valuer of HO2 (Brighton) Limited, Chartered Surveyors on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

In the opinion of the Trustees, there are no known events that have occurred that would significantly affect the long term market valuation of the Foundation's properties, as shown in the financial statements at 31 March 2023. The property portfolio is professionally revalued every 5 years and will next be professionally valued at 31 March 2026.

The Charity's office at Unit 6, 17 Leyton Road, Harpenden has a fair value of £60,000 (2022 - £60,000) and is used by the Foundation as its office and is included in the fair value above of £5,300,000 (2022 - £5,300,000).

Open market value is considered to also represent the fair value.

	COIF Investment		COIF Ethical	Total		Total
	Restricted	Unrestricted	Investment	Restricted	Unrestricted	Total
	Funds	Funds	Funds	Investment	Investment	Investment
	£	£	£	£	£	£
Movement in Fixed Asset investment						
Market value at 1 April 2022	812,568	651,919	149,648	812,568	801,567	1,614,135
Investment during year	0	0	0	0	0	0
Net surplus/(loss) on revaluation	-30,757	-24,661	-7,461	-30,757	-32,122	-62,879
Market value at 31 March 2023	<u>781,811</u>	<u>627,258</u>	<u>142,187</u>	<u>781,811</u>	<u>769,445</u>	<u>1,551,256</u>

The investments in the COIF Charities Investment Fund and COIF Charities Ethical Investment Fund are common investment funds, meaning pooled investment funds which are governed by the Charities Act 2011 (as amended) and authorised by the Charity Commission. The investment objective of the Funds are to provide a long-term return comprising growth in capital and income. The investments are carried at fair value. The basis of fair value is considered to be equivalent to the mid market value as provided by CCLA Fund Managers Limited as the fund is not admitted to trading on a secondary market. Purchases are recognised at the date of trade at cost (that is their transaction value).

12. TANGIBLE FIXED ASSETS for use by the charity	<u>Office and Estate</u>
	<u>Equipment</u>
Cost	£
At 1 April 2022	2,883
Additions	541
Disposals	-74
At 31 March 2023	<u>3,350</u>
Depreciation	
Accumulated depreciation at 1 April 2022	2,375
Charge for the year	351
Disposals	-74
Accumulated depreciation at 31 March 2023	<u>2,652</u>
Net Book Value	
As at 1 April 2022	508
Movement in year	190
At 31 March 2023	<u>698</u>

**JAMES MARSHALL FOUNDATION CIO**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023**

13. DEBTORS	<u>2023</u>	<u>2022</u>
	£	£
Accrued Income - rent, interest and dividends receivable	11,787	11,329
Prepayments	1,346	159
VAT recoverable	2,190	2,561
	<u>15,323</u>	<u>14,049</u>

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2023</u>	<u>2022</u>
	£	£
Auditor's fees	4,000	4,000
Holiday pay accrual	2,256	1,000
Professional fees	7,677	2,985
Property-related costs	14,073	0
Office costs and other unpaid invoices	245	1,525
Tenants rent and charges in advance	63,853	62,933
Grants to be paid	69,036	47,220
VAT - HMRC	7,829	8,477
	<u>168,969</u>	<u>128,140</u>

15. MOVEMENT ON FUNDS

	1 April 2022	Current Year	31 March 2023
	£	£	£
Restricted fund	6,112,568	-30,757	6,081,811
Unrestricted fund	1,005,640	-52,972	952,668
Total funds	<u>7,118,208</u>	<u>-83,729</u>	<u>7,034,479</u>

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	31 March 2023
	£	£	£
Investment properties	5,300,000	0	5,300,000
Investment	781,811	769,445	1,551,256
Tangible fixed assets	0	698	698
Debtors and prepayments	0	15,323	15,323
Short term deposits	0	315,640	315,640
Cash at bank	0	20,531	20,531
	<u>6,081,811</u>	<u>1,121,637</u>	<u>7,203,448</u>
Creditors and accruals		-168,969	-168,969
	<u>6,081,811</u>	<u>952,668</u>	<u>7,034,479</u>

ANALYSIS OF NET ASSETS BY FUND AT 31 MARCH 2023

JAMES MARSHALL FOUNDATION CIO  
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2023

16. COMMITMENTS, GUARANTEES AND CONTINGENT ASSETS AND LIABILITIES

(a) Pension commitments

The Foundation operates a defined contribution automatic enrolment pension scheme on behalf of the employees. The assets of the scheme are held separately from those of the Foundation in independently administered funds. The annual pension commitment under the scheme is for contributions of 3% of gross salary.

(b) At 31 March 2023 there is an annual maintenance charge for grant awarding system of £2,007 (2022 - £1,900)

(c) At 31 March 2023 there is an annual commitment of £212 (2022 - £189 for period to end of lease) in respect of the lease of a printer.

(d) Other financial commitments

An unexpected repair has been identified at a property, where remedial work is likely to be required. It is not yet clear what caused the issue, how it should be addressed, how much the rectification costs will be, where the liability will fall and whether a claim can be made against a third party involved in the original construction. This is currently being investigated and the cost of this assessment has been accrued. There will not be any material impact on the financial position of the Foundation.

There are no other outstanding capital or other financial commitments at the end of the year. No guarantees have been given.

17. RELATED PARTY TRANSACTIONS

No Trustee had any personal interest in any contract or transaction entered into by the Foundation in the year