

JAMES MARSHALL FOUNDATION CIO

TRUSTEES' ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

JAMES MARSHALL FOUNDATION CIO
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

INDEX

	Page
Charity information	1
Advisors	2
Report of the Trustees	3 to 6
Report of the Independent Auditors	7 and 8
Statements of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 19

JAMES MARSHALL FOUNDATION CIO

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees for the year ended 31 March 2024

CHAIR OF TRUSTEES Mr. K. Andrews

VICE-CHAIR OF TRUSTEES Ms. A. Davies

TRUSTEES

Mr. C. J. Canfield - resigned on 19 July 2023
Ms. J. Dyson - appointed on 4 September 2023
Mr. J.M.R. Finch
Ms. V. Finnemore - appointed on 4 September 2023
Mr. A. J. Large
Mr. R. J. Prynn
Ms. J. Rickard - appointed on 4 September 2023
Mr. A. Shapton - appointed on 4 September 2023
Mr. N. Wallis - appointed on 9 January 2024
Mr. M. Whitley - resigned on 14 November 2023

EMAIL office@jamesmarshallfoundation.co.uk

WEBSITE www.jamesmarshallfoundation.co.uk

CHARITY REGISTRATION NUMBER 1181004

COMPANY NUMBER CE015811

JAMES MARSHALL FOUNDATION CIO

Advisors for the year ended 31 March 2024

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

Mercer & Hole LLP
72 London Road
St Albans
Hertfordshire AL1 1NS

SOLICITOR

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

Veale Wasbrough Vizards LLP
45 Clarendon Road
Watford
Hertfordshire WD17 1SZ

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 2024

The Trustees present their annual report and financial statements of the charitable incorporated organisation for the year ended 31 March 2024. 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 who are under the age of 25 and in financial hardship by the provision of grants to assist with their education and career development. 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 Endowment Fund comprises investment properties and long term financial investments in pooled funds (invested primarily in equities) managed by an independent advisor. The assets of the Endowment Fund are held for the purpose of generating income for the Unrestricted Fund, from which the grants are paid. In recent years there has been considerable economic volatility and high inflation which has affected asset values, however, the investments are held for the long term and have continued to generate a strong income stream.

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 2024, 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 2024

- 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 have reviewed the commercial property investments held in the Endowment 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. Medium term plans have been developed for each 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.

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 Unrestricted Fund amounting to £1,035,690 at 31 March 2024 (2023: £952,668). Reserves are required to meet the costs of potential vacant periods, repairs & maintenance costs, any losses crystallised on the sale of property and generally to safeguard the Foundation financially. In addition, it is recognised that as the Endowment Fund is primarily invested in property, reserves are also need to be available to capitalise on development opportunities, which will assist to maintain the real value of the permanent endowment over time. The Foundation has net assets in its Endowment Fund of £6,152,599 at 31 March 2024 (2023: £6,081,811).

Review of performance

During the year 862 grants were awarded and a breakdown of the categories of grants was:

Year ended 31 March 2024 Year ended 31 March 2023

Degree & postgraduate degree	30	31
Diploma & Educational course	6	5
Computer/Digital device	126	181
Travel	11	12
School Uniform	316	336
Extra-curricular: Music – Drama - Sport	145	144
Scouts/Guides/Duke of Edinburgh	13	27
School Trips	189	230
Educational equipment	22	41
Books	4	14
Total	862	1021

The total value of grants awarded was £239,248 (2023: £307,119). There were also grants outstanding for awards in the previous year of £29,284 (2023: £17,176) unpaid at 31 March 2023, mainly due to cancellations. The grant level has reduced from the peak of 2022/23 and moved towards a more sustainable level. The Trustees feel that in these difficult economic times it is important that the Foundation was able to respond and adapt to meet the needs of eligible young people in the community. A detailed review of the effect of different grant awards has been performed and further procedures introduced to assess such impact in the future. This has led to some minor refinements of grant offerings with a focus on those which are considered to have the most positive influence on an individual's education or career.

JAMES MARSHALL FOUNDATION CIO
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

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 £436,886 (2023: £411,416) of which £382,225 (2023: £361,009) was for property income. Property expenditure and costs totalled £133,483 (2023: £64,000) (including an exceptional item of £60,000 referred to below) being a return on the fair value of the properties of 4.7% (2023: 5.6%). Of the available income after all costs of £222,258 (2023: £269,093), grants were awarded of £239,248 (£307,119). In addition, there were grants outstanding for awards in earlier years unpaid at 31 March 2023 of £29,284 (2023: £17,176) which were cancelled. The surplus in income after allocation of the revaluation of investment of £70,728 (2023: £52,972) has been added to the Unrestricted Fund. A property repair matter is being addressed and a provision of £60,000 (2023: £0) has been set aside for the remedial work required. The Trustees are comfortable that there will be no longer term impairment to the value of the property. A plan has been prepared to address the issue, the cost of the work has been estimated reliably and a contractor will be appointed in the near future. A provision has been made for the cost of the work required.

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 and maintain an appropriate balance.

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 four Board meetings a year. There are four Committees of the Board: Grant Awarding, Finance & Operations, Property & Investment and External Engagement. 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. The vacancies are also highlighted in social media postings. 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 and maintaining accurate financial records. They work with professional advisers and other organisations. The team manages the grant awarding process from the initial enquiry through to making grant payments. All members of staff work on a part-time basis.

Website and social media

The charity's website, 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 2024

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

Mercer & Hole LLP were selected and appointed for the year ended on 31 March 2024 and for the year ending 31 March 2025.

Approved by the Trustees on 10 June 2024

and signed on their behalf by:

Unit 6, 17 Leyton Road
Harpenden
Hertfordshire AL5 2HY



Mr. K Andrews
Chair of 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 (the 'charity') for the year ended 31 March 2024 which comprise Statement of Financial Activities, Balance Sheet and 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 2024, 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 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. Our opinion on the financial statements does not cover the other information and 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 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 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 the Act and relevant regulations made or having effect thereunder.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries.

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.

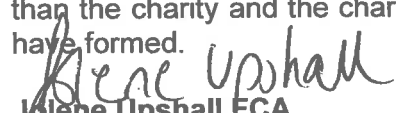
A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.


Jolene Upshall FCA
Mercer & Hole LLP
72 London Road
St Albans
Hertfordshire, AL1 1NS

Date 14/6/24

JAMES MARSHALL FOUNDATION CIO
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Prior Year Funds 2023 £
Income					
Donations	4	150	0	150	1,435
Investment income					
Property income - Rent		332,837	0	332,837	332,613
Commission		3,846	0	3,846	3,698
Recoverable costs - Insurance		25,587	0	25,587	21,828
Professional fees		0	0	0	720
Grounds maintenance		2,250	0	2,250	2,150
Service charges		17,705	0	17,705	0
Dividends and interest	5	54,511	0	54,511	48,972
Total Income		436,886	0	436,886	411,416
Expenditure					
Costs of generating funds					
Property expenditure	6	95,261	0	95,261	40,734
Property management	7	37,439	0	37,439	22,513
Investment management	8	783	0	783	753
		133,483	0	133,483	64,000
Expenditure on charitable activities				0	
Grants awarded to individuals in the year	9	239,248	0	239,248	307,119
Grants for awards in earlier years		-29,284	0	-29,284	-17,176
		209,964	0	209,964	289,943
Office expenses related to grant awarding	8	51,656	0	51,656	49,688
Support costs	10	29,489	0	29,489	28,635
		291,109	0	291,109	368,266
Total expenditure		424,592	0	424,592	432,266
Net income and net movement in funds before gains and losses on investments		12,294	0	12,294	-20,850
Surplus/deficit on revaluation of investments	14	70,728	70,788	141,516	-62,879
				0	
NET MOVEMENT IN FUNDS FOR THE YEAR		83,022	70,788	153,810	-83,729
Funds at 1 April 2023		952,668	6,081,811	7,034,479	7,118,208
Funds at 31 March 2024		1,035,690	6,152,599	7,188,289	7,034,479

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 2024

	Notes	<u>2024</u>		<u>2023</u>	
		£	£	£	£
FIXED ASSETS					
Investment properties	13	5,300,000		5,300,000	
Investments	14	1,692,772		1,551,256	
Tangible fixed assets	15	<u>944</u>		<u>698</u>	
Total fixed assets			6,993,716		6,851,954
CURRENT ASSETS					
Debtors and prepayments	16	30,217		15,323	
Short term investments		364,188		315,640	
Cash at bank		<u>18,346</u>		<u>20,531</u>	
Total current assets		<u>412,751</u>		<u>351,494</u>	
LIABILITIES					
Creditors: amounts falling due within one year	17	<u>-158,178</u>		<u>-168,969</u>	
Net current assets			254,573		182,525
Provisions for liabilities	18		<u>-60,000</u>		<u>0</u>
TOTAL NET ASSETS			<u>7,188,289</u>		<u>7,034,479</u>
ENDOWMENT FUNDS	19		5,827,599		5,756,811
UNRESTRICTED FUNDS	19		1,035,690		952,668
REVALUATION RESERVE - ENDOWMENT FUNDS	19		325,000		325,000
TOTAL FUNDS			<u>7,188,289</u>		<u>7,034,479</u>

Signed on behalf of the Trustees



Ms A Davies
VICE CHAIR OF TRUSTEES

Approved by the Trustees on 10 June 2024

Charity Number 1181004

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

1. SIGNIFICANT ACCOUNTING POLICIES

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 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.

a. Going Concern

The financial statements have been prepared on a going concern basis. 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 returns and the performance of the property and investment markets. The Trustees have considered the level of funds and the expected level of income and expenditure for the twelve months from approval of the financial statements. The budgeted income and expenditure is sufficient within the level of reserves for the Charity to be able to continue as a going concern.

b. Funds structure

The Charity has endowment and unrestricted funds :

- (i) Endowment 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.

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 earned through holding of assets for investment purposes such as shares and property. It includes rents, dividends and interest and is included when receivable and the amount can be measured reliably by the Foundation:

- (i) Rent receivable is recognised on an accruals basis apportioned to the year under review.
- (ii) Dividend income is recognised as the Charity's right to receive payment is established.
- (iii) Interest income is normally recognised upon notification of the interest paid or payable by the bank.

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 2024

d. **Expenditure recognition continued**

Grants are payable 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 if the de minimis rules are not met. Irrecoverable VAT is charged as an expense against the activity for which the expense arose.

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 measured at fair value at each reporting date as determined periodically by a professionally qualified independent valuer, with interim annual valuation assessments by the Trustees with advice from the managing agent, HO2 (Brighton) Limited. The Statement of Financial Activities includes net gains and losses arising on any revaluations, acquisitions or disposals that occurred during the year.

h. **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their fair value which is usually their transaction price excluding transaction costs. Subsequently, they are 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.

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**

Assets costing £500 or above are capitalised. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on tangible fixed assets 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.

l. **Cash and cash equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due. Current asset investments are short term, highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity date of less than one year.

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

- m. **Debtors**
Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.
 - n. **Creditors**
Creditors are amounts owed by the charity. They are measured at the amount the charity expects to have to pay to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.
 - o. **Provisions for liabilities**
A liability is measured at the best estimate of the amount required to settle the obligation at the reporting date.
 - p. **Operating leases**
Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.
2. **KEY JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES**
- a. **Revaluation reserve**
The Charity was established in 2018 and the assets and operations of the predecessor charity were transferred to the Charity on 1 April 2019. The value of the investment properties was £4,975,000 at the date of transfer. The revaluation reserve sets out the movement in the fair value of the investment properties since 1 April 2019.
 - b. **Provisions for liabilities**
An unexpected repair has been identified at a property where remedial work is required. The Trustees have made an assessment of the best estimate of the cost of the rectification works based on the information available.

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

3. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	<u>Notes</u>	Unrestricted Funds <u>2023</u> £	Endowment Funds <u>2023</u> £	Total Funds <u>2023</u> £
Income				
Donations	4	1,435	0	1,435
Investment income				
Property income - Rent		332,613	0	332,613
Commission		3,698	0	3,698
Recoverable costs - Insurance		21,828	0	21,828
Professional fees		720	0	720
Grounds maintenance		2,150	0	2,150
Service charges		0	0	0
Dividends and interest	5	48,972	0	48,972
Total Income		411,416	0	411,416
Expenditure				
Costs of generating funds				
Property expenditure	6	40,734	0	40,734
Property management	7	22,513	0	22,513
Investment management	8	753	0	753
		64,000	0	64,000
Expenditure on charitable activities				
Grants awarded to individuals in the year	9	307,119	0	307,119
Grants for awards in earlier years		-17,176	0	-17,176
		289,943	0	289,943
Office expenses related to grant awarding	8	49,688	0	49,688
Support costs	10	28,635	0	28,635
		368,266	0	368,266
Total expenditure		432,266	0	432,266
Net income and net movement in funds before gains and losses on investments		-20,850	0	-20,850
Surplus/deficit on revaluation of investments	14	-32,122	-30,757	-62,879
NET MOVEMENT IN FUNDS FOR THE YEAR		-52,972	-30,757	-83,729
Funds at 1 April 2022		1,005,640	6,112,568	7,118,208
Funds at 31 March 2023		952,668	6,081,811	7,034,479

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
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

4. DONATIONS	<u>2024</u>	<u>2023</u>
	£	£
Foundation was recipient of a community fundraising event	£150	£1,435
5. INVESTMENT INCOME	<u>2024</u>	<u>2023</u>
	£	£
Interest		
National Savings and Investment Income Bond	5,071	2,259
CAF Bank accounts	1,606	352
Nationwide Business Saver account	2,328	1,049
Total interest on cash deposits	<u>9,005</u>	<u>3,660</u>
Dividends		
COIF Charities Investment Fund Income Units	41,130	40,971
COIF Charities Ethical Investment Fund Income Units	4,376	4,341
Total investment income	<u>54,511</u>	<u>48,972</u>
6. PROPERTY EXPENDITURE	<u>2024</u>	<u>2023</u>
	£	£
Repairs and maintenance	50,711	7,176
Insurance	25,818	22,033
Grounds maintenance	2,782	2,683
Service charges	15,950	6,897
VAT partial exemption - VAT not recoverable	0	1,945
	<u>95,261</u>	<u>40,734</u>
7. PROPERTY MANAGEMENT	<u>2024</u>	<u>2023</u>
	£	£
Management fees	18,075	14,642
Legal and professional fees	13,885	4,860
Office expenses - 7% (2023 - 4%) (Note 6)	5,479	3,011
	<u>37,439</u>	<u>22,513</u>
8. OFFICE EXPENSES	<u>2024</u>	<u>2023</u>
	£	£
Building maintenance and water	392	1,094
Rates	399	379
Printing & stationery	711	953
Postage and sundries	405	319
Staff salary	69,598	64,649
IT development and support	3,198	3,776
Charity insurance	302	461
Light, heat & telephone	2,569	1,420
Bank charges	88	100
Depreciation	458	351
Publicity	148	291
VAT partial exemption - VAT not recoverable	0	1,491
	<u>78,268</u>	<u>75,284</u>

Continued

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

8. OFFICE EXPENSES Continued

Allocated on the basis of staff time as follows:

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	%	£	%	£
Properties	7	5,479	4	3,011
Grants	66	51,656	66	49,688
Governance	26	20,350	29	21,832
Investments	1	783	1	753
	<u>100</u>	<u>78,268</u>	<u>100</u>	<u>75,284</u>

9. GRANT EXPENDITURE

	<u>2024</u>	<u>2023</u>
	£	£
Grants awarded to individuals in the year	239,248	307,119
Grants for awards in earlier years	-29,284	-17,176
	<u>209,964</u>	<u>289,943</u>

All the grants are awarded to eligible individuals under 25 years who live in the catchment area of the Foundation for the purposes of education and career development. The activities or items for which grant funding has been awarded has been set out in the Trustees' Report.

10. SUPPORT COSTS

	<u>2024</u>	<u>2023</u>
	£	£
Governance and support costs		
Office expenses - 26% (2023 - 29%) (Note 6)	20,350	21,832
Auditor's remuneration	5,750	4,000
Training, meetings and other costs	2,590	1,239
300th Anniversary celebration	0	837
Trustees insurance	799	727
	<u>29,489</u>	<u>28,635</u>

11. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	<u>2024</u>	<u>2023</u>
Salaries	68,010	63,337
Employers National Insurance	0	14
Pension costs (defined contribution)	1,588	1,298
	<u>69,598</u>	<u>64,649</u>

The average monthly headcount was 4 staff (2023 - 3) and the average monthly number of full time equivalent employees during the year was 1.5 (2023 - 1.5).

The Foundation considers its key management personnel is the Foundation Manager whose benefits totalled £34,136 (2023 - £43,515).

No employees received emoluments in the year in excess of £60,000 (2023 - None).

Staff costs are allocated to activities on the basis of staff time.

REMUNERATION AND EXPENSES PAID TO TRUSTEES

No remuneration is paid to any Trustee.

£110 (2023 - £137) in total was reimbursed to four Trustees for charity-related expenses.

12. AUDITOR'S REMUNERATION

The auditor's remuneration constituted an audit fee of £5,750 (2023 - £4,000).

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

		<u>2024</u>	<u>2023</u>
		£	£
13. FIXED ASSET INVESTMENT PROPERTIES			
Investment properties at fair value	At 1 April 2023	5,300,000	5,300,000
	Surplus on revaluation	0	0
	At 31 March 2024	<u>5,300,000</u>	<u>5,300,000</u>

The historical cost in March 2019 prior to incorporation of the investment properties was £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 2024. 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 (2023 - £60,000) and is used by the Foundation as its office and is included in the fair value above of £5,300,000 (2023 - £5,300,000).

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

14. FIXED ASSETS INVESTMENT	COIF Investment		COIF Ethical	Total		Total
	Endowment	Unrestricted	Unrestricted	Endowment	Unrestricted	Total
	Funds	Funds	Funds	Investment	Investment	Investment
	£	£	£	£	£	£
Movement in Fixed Asset investment						
Market value at 1 April 2023	781,811	627,258	142,187	781,811	769,445	1,551,256
Investment during year	0	0	0	0	0	0
Net surplus/(loss) on revaluation	70,788	56,758	13,970	70,788	70,728	141,516
Market value at 31 March 2024	<u>852,599</u>	<u>684,016</u>	<u>156,157</u>	<u>852,599</u>	<u>840,173</u>	<u>1,692,772</u>

The Charity was established in 2018 and the assets and operations of the predecessor charity were transferred to the Charity on 1 April 2019. The value of the financial investments was £833,413 at that date. Since that date a further £500,000 has been invested so the total historical cost of the financial investments is £1,333,413.

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).

15. TANGIBLE FIXED ASSETS for use by the charity	<u>Office and Estate</u>
	<u>Equipment</u>
Cost	£
At 1 April 2023	3,350
Additions	704
Disposals	0
At 31 March 2024	<u>4,054</u>
Depreciation	
Accumulated depreciation at 1 April 2023	2,652
Charge for the year	458
Disposals	0
Accumulated depreciation at 31 March 2024	<u>3,110</u>
Net Book Value	
As at 1 April 2023	698
Movement in year	246
At 31 March 2024	<u>944</u>

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

16. DEBTORS	<u>2024</u>	<u>2023</u>
	£	£
Accrued Income - rent, interest and dividends receivable	22,012	11,787
Prepayments	2,636	1,346
VAT recoverable	5,569	2,190
	<u>30,217</u>	<u>15,323</u>
17. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2024</u>	<u>2023</u>
	£	£
Auditor's fees	5,750	4,000
Holiday pay accrual	1,524	2,256
Professional fees	5,550	7,677
Property-related costs	0	14,073
Office costs and other unpaid invoices	195	245
Tenants rent and charges in advance	74,457	63,853
Grants to be paid	65,474	69,036
VAT - HMRC	5,228	7,829
	<u>158,178</u>	<u>168,969</u>
18. PROVISIONS FOR LIABILITIES AND CHARGES	<u>2024</u>	<u>2023</u>
	£	£
Repair work	60,000	0

An unexpected repair has been identified at a property where remedial work is required. The work necessary to resolve the matter has been established and quotes have been sought and a provision has been made for the best estimate of both the rectification works and the likely associated professional fees. The work is due to start in June - Sept 2024.

19. MOVEMENT ON FUNDS

	1 April 2023	Income	Expenditure	Revaluation	31 March 2024
	£	£	£	£	£
Endowment Fund	6,081,811	0	0	70,788	6,152,599
Unrestricted fund	952,668	436,886	-424,592	70,728	1,035,690
Total funds	<u>7,034,479</u>	<u>436,886</u>	<u>-424,592</u>	<u>141,516</u>	<u>7,188,289</u>

	<u>Endowment Funds</u>	<u>Unrestricted Funds</u>	31 March 2024
	£	£	£
Investment properties	5,300,000	0	5,300,000
Investment	852,599	840,173	1,692,772
Tangible fixed assets	0	944	944
Debtors and prepayments	0	30,217	30,217
Short term deposits	0	364,188	364,188
Cash at bank	0	18,346	18,346
	<u>6,152,599</u>	<u>1,253,868</u>	<u>7,406,467</u>
Creditors, accruals and provisions	<u>6,152,599</u>	<u>-218,178</u>	<u>-218,178</u>
	<u>6,152,599</u>	<u>1,035,690</u>	<u>7,188,289</u>

JAMES MARSHALL FOUNDATION CIO
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2024

20. 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 2024 there are future minimum lease payments due:

Not later than 1 year	£212
Greater than 1 year but not later than 5 years	£159

(c) At 31 March 2024 there are future minimum lease payments receivable under leases relating to investment properties of:

Not later than 1 year	£322,084
Greater than 1 year but not later than 5 years	£900,904
Later than 5 years	£205,232

(d) Other financial commitments

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

21. RELATED PARTY TRANSACTIONS

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