

**Charity number: 1151978**  
**Registered number: 08492424**

**PETER SOWERBY FOUNDATION**

**TRUSTEES REPORT AND FINANCIAL**  
**STATEMENTS**

**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2015**

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
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**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES  
AND ADVISERS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**Trustees** Mr D B H Aspinall, Chairman  
Mr N Acomb (resigned 3 March 2015)  
Mrs S Poullos  
Dr P R Sowerby  
Dr D L Stables  
Aspinalls Fiduciary Limited

**Company registered  
number** 08492424

**Charity registered  
number** 1151978

**Registered office** 10 Buckingham Street  
London  
WC2N 6DF

**Independent auditors** Creaseys Group Limited  
Chartered Accountants  
Statutory Auditors  
Brockbourne House  
77 Mount Ephraim  
Tunbridge Wells  
Kent  
TN4 8BS

**Bankers** SG Hambros Bank Limited  
5th Floor  
8 St James's Square  
London  
SW1Y 4JR

**Solicitors** Stevens & Bolton LLP  
Wey House  
Farnham Road  
Guildford  
Surrey  
GU1 4YD

**Investment advisors** Quilter Cheviot Limited  
One Queensway  
London  
WC2B 6AN

Seven Investment Management LLP  
55 Bishopsgate  
London  
EC2N 3AS

# **PETER SOWERBY FOUNDATION**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2015***

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Peter Sowerby Foundation (the company) for the ended 30 September 2015. The trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

#### **Structure, governance and management**

The charity was originally established by a charitable trust deed on 19 August 2008 as The Peter Sowerby Charitable Foundation but was then dormant until January 2011 when charitable registration was secured (Charity No 1139854) and the first donation was made by the settlor. During 2012, the trustees agreed that the charity should become incorporated as a charitable company limited by guarantee. The Foundation was registered as a charitable company at Companies House on 17 April 2013 (Company no. 08492424, Charity no. 1151978).

The trustees who served during the period are shown on page 1 of the accounts.

The members are trustees of the charity and directors of the company and new members are approved by resolution of the existing trustees.

The skills and composition of the Board are kept under review and, if additional trustees are required, steps are taken via open recruitment to seek new members with relevant skills and experience. Newly appointed trustees are provided with all relevant information appertaining to the charity and its affairs in order that they have a sufficient level of knowledge to enable them to perform their roles effectively. This includes an induction programme, meetings with individual trustees along with updates, briefing papers and the charity's policies, annual reports and financial statements for the previous three years. Trustees are encouraged to meet regularly with prospective and existing beneficiaries of the Foundation's grants.

All trustees are kept up to date with ongoing developments in charity law and practice, and there are opportunities to attend training in charity management and to attend meetings and conferences related to the charity's main grant-making areas.

One of the trustees, Dr Peter Sowerby, is the Settlor of the Foundation and, in prior years, has generously made significant gifts of publicly listed shares to the charity which are reflected in note 2 to the accounts.

The trustees have assessed, and regularly review, the risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks identified.

As required, advice and support is obtained from the charity's professional advisers, including investment managers, solicitors and accountants. The day to day management of the charity's affairs, along with the implementation of its policies, is delegated to Cause4 Limited, a philanthropy and social enterprise consultancy (grant-making and strategy development), and Aspinalls Family Office LLP (book keeping, grant administration and payments, and general administration). Aspinalls Family Office LLP also provides independent investment consultancy services to the trustees.

# **PETER SOWERBY FOUNDATION**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### **Objectives and Activities**

#### **Policies and objectives**

The charity operates as a grant-making foundation having been substantially endowed by GP and medical entrepreneur Dr Peter Sowerby. From the proceeds of the endowment income, the charity aims to give expression to the passions and interests of Dr Sowerby and his late wife, Ann, for public benefit.

Under the charity's Articles of Association the trustees have the power to pay or apply the capital and income of the Trust Fund to or for such exclusively charitable objects or purposes in any part of the world as the trustees may in their discretion determine. At the present time the trustees' primary aim is to make grants to other UK registered or exempt charities and in particular charities falling within the categories of:

- a) Medical/health/sickness
- b) Relief of poverty
- c) Community and environment

In their policies and decision-making, the trustees typically favour innovative and catalytic projects, which hold the potential to influence policy and practice elsewhere.

The powers of the charity to make charitable donations have been drawn widely so that a diverse range of worthy charitable recipients are able to benefit. Trustees meet at regular intervals to review the parameters of their grant making policies and programmes and to agree a programme of ongoing grants.

#### **Public benefit**

The trustees have paid due regard to Public Benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees contribute to the management of the charity on a voluntary basis and the charity does not directly manage any other volunteers at the present time.

#### **Internal controls**

It is the trustees' opinion that internal controls have been established that are appropriate for the level of activity carried out by the charity during the period. The trustees approve all grants awarded, and payments are only made with the written authority of two trustees. All expenditure is also approved by a minimum of two of the trustees before payment is made.

#### **Strategic report**

The following sections contain the information required Under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**Achievements and performance**

The period 2014/15 represents the third year of significant grant-making activity for the Peter Sowerby Foundation and its predecessor legal entity. Following on from the major multi-year awards agreed during the first two years, particularly in the field of primary healthcare, a number of new grant awards have been made, notably in the field of community, education, the environment and the arts. For the time being, it is the trustees' policy not to solicit requests for funding or to operate any open access programmes. Rather, the trustees obtain grant programme advice from their independent grant advisors, Cause4, and also use their networks to seek out suitable funding opportunities for the Foundation which fall within the agreed criteria. During the year, work was undertaken to refine these criteria to reflect better the passions and ethos of the Settlor and to create programmes that are distinctive and generate real impact within their fields of activity. Formal applications are then invited from chosen organisations which are further researched and the relative merits considered against the agreed criteria before any grants are awarded.

The trustees have reason to be satisfied with the performance of the charity which has maintained a high level of activity in close adherence to its grant-making policies. Funding levels are in line with budget and a high calibre of projects has generally achieved the outputs required for public benefit.

The market value of the Foundation's investment portfolios at the end of September 2015 (which excludes bank deposit balances) was £30,794,408 (2014: £32,500,892), a decrease of £1,706,484 after market movements, grants made, fees and operational expenses. There were no significant changes in the Foundation's investment objectives, constraints or policies in the course of the year.

A full list of the grants awarded during the period is shown in note 7 to these accounts. Notable grants awarded during 2014/15 have included:

**University of Cape Town Lung Institute's Knowledge Translation Unit** (administered through C3 Collaborating for Health) to develop and distribute the Practical Approach to Care Kit (PACK) - £249,868 over three years.

**AESOP** (Arts Enterprise with a Social Purpose) - up to £91,880 in a staged start-up grant to set up and evaluate a new 'Dance to Health' programme which trains professional dancers to deliver routines designed to prevent falls among the elderly.

**The Reading Agency** - £79,892 towards the next stage of a consortium project to create an outcomes framework for evaluating reading for pleasure programmes.

**Renewable World** - £45,000 over three years to build community-based renewable energy and communications technology plant in low-income villages in Kenya.

The trustees have also sought to ensure continued support for communities and organisations in Dr Sowerby's native North Yorkshire. To this end, the trustees have continued to support **Local Giving** to prime the fundraising capacity and skills of small charities based in rural locations across the county and small grants have been made to **Autism Plus** (£8,610) to purchaser tools for a new horticulture project in Ampleforth, and £10,000 towards building the new **Goathland Community Hub and Sports Pavilion**.

# **PETER SOWERBY FOUNDATION**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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#### **Future plans**

The trustees will continue to seek out new opportunities within the Foundation's stated areas of interest. In particular, the Foundation will be looking to support innovative and challenging projects in the field of primary healthcare, which remains the Foundation's principal area of interest. Over time, the Foundation will gain more insight into the long-term impact of the supported projects and will seek to replace the grants that have concluded with new initiatives of the same scope and quality.

#### **Financial review**

The assets of the charity comprise investments, the returns from which are used to finance the grants awarded in accordance with its objectives. The net incoming resources of the charity for the year ended 30 September 2015 and the financial position at that date are set out in the financial statements which follow.

During the year the charity received investment income of £582,837 (2014: £497,993) and donations of £nil (2014: £32,627,526) from which grants were awarded of £659,702 (2014: £3,296,527). The charity had a surplus before revaluations of £308,655 (2014: £29,297,785). At the year end the market value of the investments had fallen giving rise to an unrealised revaluation loss of £1,143,032 (2014: gain £584,564). This left a net movement in funds for the year of (£834,377) (2014: £29,882,349). Total funds carried forward at 30 September 2015 were £29,047,972 (2014: £29,882,349).

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

Management of the charity's investments is delegated to Quilter Cheviot Ltd and Seven Investment Management LLP under discretionary agreements, with independent investment consultancy provided to the trustees by Aspinalls Family Office LLP. The investment strategy is agreed between the trustees, their consultants and the investment managers and is set out in a detailed Investment Policy Statement which forms an integral part of the agreement with the investment managers. This policy is reviewed annually by the trustees. The trustees are guided by their consultants and the portfolio is invested with a long-term time horizon in order to protect the Foundation's grant making ability into the future. The aim of the strategy is to achieve the trustees' target return taking into account current market conditions. During the year, the trustees adopted a 'total return' strategy for the investment portfolio and adjusted the balance of cash and equity holdings. Fixed interest investments and equities are the principal instruments held, but other asset classes may be used. There are no ethical or environmental restrictions currently imposed by the investment policy.

The investment managers provide quarterly reports including analysis of returns compared to the agreed benchmarks and general market issues and meet with the trustees at regular intervals. The trustees' investment consultants report to them independently of the investment managers.

#### **Reserves policy**

It remains the trustees' policy that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level of £500,000 plus the value of all existing forward grant commitments. The trustees consider that reserves at this level would enable the Foundation to maintain its programme in the event of a significant temporary reduction in income. This level of reserve has been maintained throughout the period and the policy is reviewed annually by the trustees.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**Trustees' responsibilities statement**

The trustees (who are also directors of Peter Sowerby Foundation for the purposes of company law) are responsible for preparing the trustees' report (including the Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**Disclosure of information to auditors**

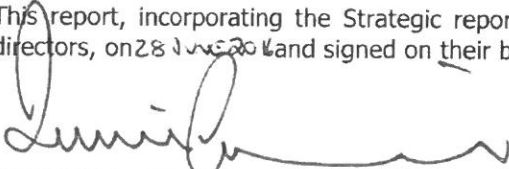
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Creaseys Group Limited, were reappointed during the year and have indicated their willingness to continue in office. A motion for their re-appointment will be proposed at the Annual General Meeting.

This report, incorporating the Strategic report, was approved by the trustees, in their capacity as company directors, on 28 June 2015 and signed on their behalf by:

  
**Mr D B H Aspinall**  
**Chairman**



# **PETER SOWERBY FOUNDATION**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETER SOWERBY FOUNDATION**

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We have audited the financial statements of Peter Sowerby Foundation for the year ended 30 September 2015 set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditors**

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETER SOWERBY  
FOUNDATION**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Pearce BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

**Creaseys Group Limited**

Chartered Accountants  
Statutory Auditors

Brockbourne House  
77 Mount Ephraim  
Tunbridge Wells  
Kent

TN4 8BS

Date: 29 June 2016

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	Unrestricted funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>			
Incoming resources from generated funds:			
Donations	2	-	32,627,526
Investment income	3	582,837	497,993
		<u>582,837</u>	<u>33,125,519</u>
<b>Total incoming resources</b>			
<b>Resources expended</b>			
Costs of generating funds:			
Investment management expenses	4	162,175	133,047
Charitable activities	5	725,128	3,359,528
Governance costs	11	51,003	49,765
		<u>938,306</u>	<u>3,542,340</u>
<b>Total resources expended</b>	10		
<b>Net (Outgoing)/Incoming resources before investment asset disposals</b>		(355,469)	29,583,179
Gains and losses on disposals of investment assets		664,124	(285,394)
		<u>308,655</u>	<u>29,297,785</u>
<b>Net incoming resources before revaluations</b>			
(Losses)/Gains on revaluations	13	(1,143,032)	584,564
		<u>(834,377)</u>	<u>29,882,349</u>
<b>Net movement in funds for the year</b>			
Total funds at 1 October 2014		29,882,349	-
<b>Total funds at 30 September 2015</b>		<u>29,047,972</u>	<u>29,882,349</u>

All activities relate to continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	Unrestricted funds 2015 £	Total funds 2014 £
<b>Total income</b>		582,837	33,125,519
<b>Less: Total expenditure</b>		938,306	3,542,340
Net (expenditure)/income for the year before investment asset disposals		(355,469)	29,583,179
Gain/(loss) on disposal of investment assets	17	664,124	(285,394)
<b>Net income for the year</b>	17	<u>308,655</u>	<u>29,297,785</u>

The notes on pages 13 to 23 form part of these financial statements.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	Unrestricted funds 2015 £	Total funds 2014 £
<b>Net income for the year</b>	17	308,655	29,297,785
Gains and losses on revaluations of fixed assets for the charity's own use		(1,143,032)	584,564
<b>Total gains and losses recognised since 1 October 2014</b>	17	<u>(834,377)</u>	<u>29,882,349</u>

There is no difference between the income on ordinary activities for the year stated above and its historical cost equivalent.

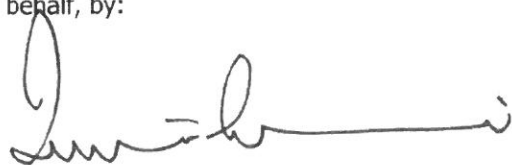
The notes on pages 13 to 23 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08492424**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Investments	13		30,610,955		32,372,850
<b>Current assets</b>					
Debtors	14	24,812		228,849	
Cash at bank		1,369,087		864,103	
		<u>1,393,899</u>		<u>1,092,952</u>	
<b>Creditors:</b> amounts falling due within one year	15	<u>(1,192,853)</u>		<u>(1,192,723)</u>	
<b>Net current assets/(liabilities)</b>			<u>201,046</u>		<u>(99,771)</u>
<b>Total assets less current liabilities</b>			<u>30,812,001</u>		<u>32,273,079</u>
<b>Creditors:</b> amounts falling due after more than one year	16		<u>(1,764,029)</u>		<u>(2,390,730)</u>
<b>Net assets</b>			<u><u>29,047,972</u></u>		<u><u>29,882,349</u></u>
<b>Charity funds</b>					
Unrestricted funds	17		<u>29,047,972</u>		<u>29,882,349</u>
<b>Total funds</b>			<u><u>29,047,972</u></u>		<u><u>29,882,349</u></u>

The financial statements were approved by the trustees on 28 JUNE 2016 and signed on their behalf, by:



**Mr D B H Aspinall**  
**Chairman**

The notes on pages 13 to 23 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	<b>Note</b>	<b>2015</b> £	<b>2014</b> £
Net cash flow from operating activities	19	(696,716)	922,117
Returns on investments and servicing of finance	20	582,837	497,993
Capital expenditure and financial investment	20	618,863	(556,007)
<b>Increase in cash in the year</b>		<u>504,984</u>	<u>864,103</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	<b>2015</b> £	<b>2014</b> £
Increase in cash in the year	<u>504,984</u>	<u>864,103</u>
<b>Movement in net funds in the year</b>	504,984	864,103
Net funds at 1 October 2014	864,103	-
<b>Net funds at 30 September 2015</b>	<u>1,369,087</u>	<u>864,103</u>

The notes on pages 13 to 23 form part of these financial statements.

# **PETER SOWERBY FOUNDATION**

**(A company limited by guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

#### **1.2 Company status**

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

#### **1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

#### **1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### **1.5 Resources expended**

Resources expended are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**1. Accounting policies (continued)**

**1.6 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the period.

**1.7 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.8 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

**1.9 Funds**

The Unrestricted Fund consists of funds which the trustees may use for their purposes at their discretion.

**2. Donations**

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£
Assets transferred by The Peter Sowerby Foundation (see below)	-	22,486,791
Gift of quoted investments	-	10,140,735
	<hr/>	<hr/>
Voluntary income	-	32,627,526
	<hr/> <hr/>	<hr/> <hr/>

Under a Deed of Application dated 27 September 2013 the net assets of The Peter Sowerby Charitable Foundation were transferred to the charitable company. The net assets comprised:

Investments at valuation	21,091,544
Cash at bank and in hand	2,129,253
Grant commitments	(696,852)
Accruals	(37,154)



**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**3. Investment income**

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£
Dividends receivable	509,235	374,760
Interest receivable	73,602	123,233
	<u>582,837</u>	<u>497,993</u>

**4. Investment management costs**

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£
Investment management costs	157,501	133,047
Foreign exchange movement	4,674	-
	<u>162,175</u>	<u>133,047</u>

**5. Analysis of resources expended by activities**

	<b>Grants awarded (Note 6) 2015</b>	<b>Support costs (Note 8) 2015</b>	<b>Total 2015</b>	<b>Total 2014</b>
	£	£	£	£
Grant making	<u>659,702</u>	<u>65,426</u>	<u>725,128</u>	<u>3,359,528</u>

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**6. Grants**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Grants awarded	659,702	3,296,257
	<u>659,702</u>	<u>3,296,257</u>
<b>Reconciliation of grants payable:</b>		
	<b>2015 £</b>	<b>2014 £</b>
Accrued at 1 October 2014	3,542,500	696,852
Grants payable for the year (note 7)	659,702	3,296,257
Grants paid during the year (note 8)	(1,278,532)	(450,609)
	<u>2,923,670</u>	<u>3,542,500</u>
<b>Accrued at 30 September 2015</b>	<b>2,923,670</b>	<b>3,542,500</b>
<b>Payable as follows:</b>		
Grants payable <1yr	1,159,641	1,151,770
Grants payable >1yr	1,764,029	2,390,730
	<u>2,923,670</u>	<u>3,542,500</u>

Grants payable include the value of grant agreements signed in the period as well as the remaining commitments not previously recognised in the accounts of the Peter Sowerby Foundation. These commitments are scheduled for payment over a number of years and commitments still to be paid at the end of the year are included in amounts outstanding.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 7. List of grants awarded in the year

Name of institution/grant	Grant description	2015 £	2014 £
Imperial College	Medical	-	711,351
Local Giving Foundation	Community and Environment	-	71,604
Marie Curie Cancer Care	Medical	-	285,000
Sanata Charitable trust	Community and Environment	-	50,000
Help the Hospices	Medical	-	145,000
Kings College London & Kings Health Practitioners	Medical	-	1,430,746
Royal College of General Practitioners	Medical	-	141,905
Royal Horticultural Society	Community and Environment	-	212,678
Royal College of Music	Community and Environment	-	133,110
The Economist Education Foundation	Community and Environment	-	60,000
The Reading Agency (2 grants)	Community and Environment	79,892	94,600
Rural Action Yorkshire	Community and Environment	-	3,300
Yorkshire Arboretum	Community and Environment	-	12,500
Choir of the year	Community and Environment	-	75,000
Jessie's Fund	Community and Environment	-	5,000
Helmsey Walled Garden	Community and Environment	-	10,000
Music in Hospitals	Community and Environment	-	10,000
Paintings in Hospitals	Community and Environment	-	10,000
Dance UK	Community and Environment	-	10,000
The Woodland Trust	Community and Environment	-	21,000
AESOP	Medical	91,880	-
Autism Plus	Medical	8,610	-
University of Cape Town	Medical	249,868	-
Renewable World	Community and Environment	45,000	-
Goathland Community Hub	Community and Environment	10,000	-
Kew (Royal Botanical Gardens)		200,000	-
Grants to be refunded		(25,548)	(196,537)
Total grants awarded during the year (note 6)		659,702	3,296,257

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**8. List of grants paid in the year**

	<b>2015</b>	<b>2014</b>
	£	£
Imperial College	624,586	-
Ardbrack Foundation	-	20,500
Local Giving Foundation	35,802	35,802
Marie Curie Cancer Care	114,000	57,000
Sanata Charitable trust	-	50,000
Help the Hospices	-	80,000
Kings College London & Kings Health Practitioners	-	(59,856)
Royal College of General Practitioners	(6,349)	5,224
Royal Horticultural Society	68,325	51,169
Royal College of Music	69,540	44,370
The Economist Education Foundation	30,000	30,000
The Reading Agency	-	14,600
Rural Action Yorkshire	62,892	40,000
Yorkshire Arboretum	-	3,300
Choir of the year	75,000	-
Jessie's Fund	-	12,500
Helmsey Walled Garden	-	5,000
Music in Hospitals	-	10,000
Paintings in Hospitals	-	10,000
Dance UK	-	10,000
Woodland Trust	-	10,000
AESOP	55,000	21,000
Autism Plus	8,610	-
University of Cape Town	83,288	-
Renewable World	15,000	-
Goathland Community Hub	10,000	-
Kew (Royal Botanical Gardens)	32,838	-
	<u>1,278,532</u>	<u>450,609</u>

**9. Support costs**

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£
Professional fees in support of grant programme	65,110	63,111
Bank charges	316	160
	<u>65,426</u>	<u>63,271</u>

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**10. Analysis of resources expended by expenditure type**

	<b>Other costs 2015</b>	<b>Total 2014</b>
	£	£
Investment management costs	162,175	133,047
<b>Costs of generating funds</b>	<u>162,175</u>	<u>133,047</u>
Grants awarded	659,702	3,296,257
Support costs	65,426	63,271
<b>Charitable activities</b>	<u>725,128</u>	<u>3,359,528</u>
<b>Governance</b>	<u>51,003</u>	<u>49,765</u>
	<u><u>938,306</u></u>	<u><u>3,542,340</u></u>

**11. Governance costs**

	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£
Auditors' remuneration	3,880	3,510
Auditors' non audit costs	5,582	3,900
Professional fees	40,148	40,962
Trustee insurance	1,393	1,393
	<u>51,003</u>	<u>49,765</u>

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**12. Net (Outgoing)/Incoming resources**

This is stated after charging:

	<b>2015</b>	<b>2014</b>
	£	£
Auditors' remuneration	3,880	3,510
Auditors' remuneration - non-audit	5,582	3,900
	<u>          </u>	<u>          </u>

None of the trustees (or any persons connected with them) received any remuneration or benefit for their services during the period, subject to the information provided in Note 17. One (2014: one) trustee was reimbursed expenses totalling £594 (2014: £1,197) for work in support of the grant programme.

**13. Fixed asset investments**

	<b>UK listed securities</b>	<b>Cash</b>	<b>Total</b>
	£	£	£
<b>Market value</b>			
At 1 October 2014	30,551,011	1,821,839	32,372,850
Additions	6,050,821	3,518,956	9,569,777
Disposals	(4,993,836)	(5,190,130)	(10,183,966)
Foreign exchange movement	-	(4,674)	(4,674)
Revaluations	(1,143,032)	-	(1,143,032)
	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 2015	30,464,964	145,991	30,610,955
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Historical cost</b>	30,905,552	145,991	31,051,543
	<u>          </u>	<u>          </u>	<u>          </u>

**Investments at market value comprise:**

	<b>UK</b>	<b>Overseas</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Listed investments	12,142,365	18,322,599	30,464,964	30,551,011
Cash	145,991	-	145,991	1,821,839
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total market value	12,288,356	18,322,599	30,610,955	32,372,850
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**PETER SOWERBY FOUNDATION**  
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**13. Fixed asset investments (continued)**

**Valuation**

All investment assets are shown at market value on the balance sheet date.

**Material investments**

	<b>30 September 2015</b>	<b>30 September 2014</b>
	£	£
7IM AAP Adventurous Fund	14,753,306	14,907,523
Ishares Ishares Core FTSE 100 UCITS ETF GBP Dis	1,263,323	1,374,897
SPDR S&P500 Etf Trust Units	900,558	742,076
	<u>16,917,187</u>	<u>17,024,496</u>

**14. Debtors**

	<b>2015</b>	<b>2014</b>
	£	£
Grants to be refunded	22,500	196,537
Loan	-	30,000
Tax recoverable	2,312	2,312
	<u>24,812</u>	<u>228,849</u>

During 2014 a loan was made of £30,000 which represented an advance of grant funding pending confirmation of charity registration. During 2015 the loan of £30,000 has been transferred to a grant upon the recipient achieving charitable status.

**15. Creditors:**  
**Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	£	£
Accruals	33,212	40,953
Grants accrued (see Note6)	1,159,641	1,151,770
	<u>1,192,853</u>	<u>1,192,723</u>

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**16. Creditors:**  
**Amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	£	£
Grants accrued (see Note6)	1,764,029	2,390,730

**17. Statement of funds**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Funds - all funds	29,882,349	582,837	(938,306)	(478,908)	29,047,972

The general fund is held for the charity to use for future grants which the trustees find to be in line with the aims and objectives as set out in the trustees report.

**18. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Total funds</b>
	<b>2015</b>	<b>2014</b>
	£	£
Fixed asset investments	30,610,955	32,372,850
Current assets	1,393,899	1,092,952
Creditors due within one year	(1,192,853)	(1,192,723)
Creditors due in more than one year	(1,764,029)	(2,390,730)
	<u>29,047,972</u>	<u>29,882,349</u>

**19. Net cash flow from operations**

	<b>2015</b>	<b>2014</b>
	£	£
Net incoming resources before revaluations	308,655	29,297,785
Returns on investments and servicing of finance	(582,837)	(497,993)
Investments gifted	-	(31,232,279)
Decrease/(increase) in debtors	204,037	(228,849)
(Decrease)/increase in creditors	(626,571)	3,583,453
<b>Net cash (outflow)/inflow from operations</b>	<u>(696,716)</u>	<u>922,117</u>



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**20. Analysis of cash flows for headings netted in cash flow statement**

	<b>2015</b>	<b>2014</b>
	£	£
<b>Returns on investments and servicing of finance</b>		
Income from investments	582,837	497,993
	<u>582,837</u>	<u>497,993</u>
	<b>2015</b>	<b>2014</b>
	£	£
<b>Capital expenditure and financial investment</b>		
Purchase of listed investments	(9,569,777)	(38,969,337)
Sale of listed investments	10,188,640	38,413,330
	<u>618,863</u>	<u>(556,007)</u>
<b>Net cash inflow/(outflow) capital expenditure</b>	<u>618,863</u>	<u>(556,007)</u>

**21. Analysis of changes in net funds**

	<b>1 October</b>	<b>Cash flow</b>	<b>Other</b>	<b>30</b>
	<b>2014</b>		<b>non-cash</b>	<b>September</b>
	£	£	<b>changes</b>	<b>2015</b>
			£	£
Cash at bank and in hand:	864,103	504,984	-	1,369,087
<b>Net funds</b>	<u>864,103</u>	<u>504,984</u>	<u>-</u>	<u>1,369,087</u>

**22. Related party transactions**

The trustee Mr D Aspinall is a Member of Aspinalls Family Office LLP, to which the charity paid £135,284 (2014: £118,142) for professional fees relating to the provision of investment consultancy, financial planning and administration services during the period.

There are no assets or liabilities held by related parties at the balance sheet date.

**23. Controlling party**

The charity is controlled by the trustees.

