

Charity Number: 294640
Company Number: 02025362 (England & Wales)

REPORT OF THE COUNCIL AND FINANCIAL STATEMENTS

For the year ended 31 July 2013

FOR

THE READING FOUNDATION

(A Company Limited by Guarantee)

Chantrey Vellacott
A trading style of CV Thames Valley Limited
Chartered Accountants
Prospect House
58 Queens Road
READING
RG1 4RP

THE READING FOUNDATION

Report of the Council and Financial Statements
For the year ended 31 July 2013

CONTENTS

	Pages
Legal and Administrative Information	1 - 2
Report of the Council	3 - 5
Report of the Independent Auditors	6 - 7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 - 16

THE READING FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

As at 31 July 2013

STATUS

A company limited by guarantee and not having a share capital. The organisation is a charitable company limited by guarantee, incorporated on 4 June 1986 and registered as a charity on 10 June 1986.

GOVERNING INSTRUMENTS

- 1 Charity Commission Scheme dated 4 July 1994 as amended by Orders of the Charity Commissioners for England and Wales dated 5 October 1999, 12 July 2000, 3 August 2001 and more recently an Order dated 24 July 2003, authorise the Trustees to adopt a Total Return Approach to Investments, as amended by an order dated 23 April 2007. The Secretary of State for Education modified the Charity Commission Scheme by an Order dated 9 March 2011 when Reading School became an Academy.
- 2 Memorandum and Articles of the Reading Foundation dated 31 March 1986 as amended by a Special Resolution dated 2 November 1999.

MEMBERS OF COUNCIL AND TRUSTEES:

The following persons served as Trustees and Members of Council during the period:-

Mr. R.P. Huggins*	Chairman of Council from 12 November 2006
Mr R Childs**	
Prof S Nortcliff**	
Mr D. Fisher**	
Mr P Széll*	
Mr M Maule*	
Mrs H. V. Cullura+	
Prof. G.E. Butler+	Resigned 22 November 2012
Mr S. Noori+	

As Co-opted members of Council:

Mrs. M.G. Chaplin	Vice-Chairman of Council
Mrs J. Donaldson	
Mr M Dawes	
Mr. I.L. Martin	

Headmaster

Mr A M Robson

As Solicitor

Mr. P.F.B. Beesley

As Company Secretary and Clerk:

Mr. I.G. Judd

- * Representative of the Old Redingensians Limited
- ** Representative of the Governors of Reading School
- + Representative of the Reading School Parents' Association

THE READING FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

As at 31 July 2013

MEMBERS OF COUNCIL AND TRUSTEES (continued)

Trustees are appointed by Council in accordance with nominations submitted by the Governors of Reading School the Old Redingensians Association Ltd and the Reading School Parents' Association. Trustees are nominated by their sponsoring body for a period of 3 years. Co-opted Trustees also serve for a period of 3 years.

Members of the Council, as well as being charity trustees, are also directors of the company.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

REGISTERED ADDRESS:
and OPERATIONAL ADDRESS: Reading School
Erleigh Road
Reading
RG1 5LW

CHARITY REGISTRATION NUMBER: 294640

COMPANY REGISTRATION NUMBER: 02025362 (England & Wales)

ADVISORS:

Bankers: National Westminster Bank plc
P.O. Box 78
13 Market Place
Reading
RG1 2EP

Solicitors: Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Auditors: Chantrey Vellacott DFK
A trading style of CV Thames Valley Limited
Chartered Accountants
Prospect House
58 Queens Road
Reading
RG1 4RP

Investment Manager: CCLA Investment Management Ltd
COIF Charity Funds
Senator House
85 Queen Victoria Street
London
EC4V 4ET

THE READING FOUNDATION

REPORT OF THE COUNCIL *For the year ended 31 July 2013*

The Trustees, being also directors of the charitable company, present their report, together with the financial statements of the charitable company for the year ended 31 July 2013. The report of the Council is also the directors' report as required by s417 of the Companies Act 2006 and the Trustees' report as required by part VI of the Charities Act 1993 as amended by the Charities Act 2006. The financial statements comply with the requirements of the Companies Act 2006, the charitable company's Memorandum and Articles of Association and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' (SORP 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Company is managed in accordance with the Memorandum and Articles of Association (31 March 1986), as amended by a Special Resolution dated 02 November 1999. The policies which govern the running of the Charity are laid down in the Charity Commission Scheme dated 4 July 1994, as amended by an Order dated 5 October 1999 which regulated the Charity's investment powers. Recoupment Orders dated 12 July 2000 and 3 August 2001 and more recently an Order dated 24 July 2003, authorise the Trustees to adopt a Total Return Approach to Investments, as amended by an order dated 23 April 2007. The Secretary of State for Education modified the Charity Commission Scheme by an Order dated 9 March 2011 when Reading School became an Academy.

In their capacity as Trustees, members of Council are required to meet at least twice yearly to manage the policy and available funds in accordance with the Charity Commission Scheme, as amended, noted above. This year the Council met on three occasions 22 November 2012, 19 March 2013, and 11 July 2013 in addition to the Annual General Meeting which was held on 22 November 2012. The Executive Committee of the Council met on three occasions during the year, 18 October 2012, 4 March 2013 and 1 July 2013. The Finance Committee of the Council, whose major responsibilities were to interview and recommend a replacement investment manager to Council and to draw up an annual budget, met on three occasions during the year, 5 November 2012, 23 January 2013 and 17 June 2013. The Premises trustee, currently Mr I M Martin, who is responsible for liaising with the Governors' Property Committee, reported decisions back to Trustees.

The Development Board, a group set up by the Board of Governors, comprising one member from each of the Board of Governors, the Trustees, the Old Redingensians together with a Development administrator, with the Headmaster and the Chairman of the Board of Governors ex officio, has met at monthly intervals during school term-time. Matters concerning proposed new buildings on the site together with issues relating to Fund Raising were discussed. The Reading Foundation representative, currently the chairman Mr R P Huggins, reported decisions back to the Trustees.

New trustees are appointed by three groups who have an interest in the continuing success of Reading School, namely the School Governors, the Parents' Association and the Old Redingensians. The Trustees are drawn from a wide range of backgrounds in education, professional life and welfare matters relevant to the running and future benefit of the School. As such, it is not considered appropriate for Trustees to undergo formal training for participation in the Foundation's Council.

FINANCIAL REVIEW

The Foundation's income consists of interest on fixed and other interest deposits and dividends from shares. The performance of the stock market and the acquisition/sale of shares, represents the greatest identified risk to the Charity's well being. As part of the detailed written financial report presented to Trustees, the performance of the investment portfolio, covering both capital appreciation and the investment yields, is monitored by the Finance Committee who report to the Council. At the Annual General Meeting, Trustees agreed to adopt the Finance Committee's recommendation that the role of Brewin Dolphin as Investment Managers should be terminated and CCLA be appointed in their stead. This would be accompanied by the transfer of all funds administered by Brewin Dolphin to CCLA. These would be used, together with Reading Foundation assets already administered by CCLA, to purchase units in a basket of their Funds. The transfer was completed by 31 July 2013. The portfolio investment yields for the year ended 31 July 2013 were therefore influenced by this transfer. Notwithstanding, the capital appreciation of each of the three Funds is as follows: the Award Fund 8.5%, the BEM Young bequest 9.9% and School Charity Fund 4.2%.

THE READING FOUNDATION

REPORT OF THE COUNCIL (cont'd) *For the year ended 31 July 2013*

FINANCIAL REVIEW (continued)

When the Total Return Policy was implemented, the Trustees' agreed to maintain the investment element of the School Charity Fund (defined as the value of the fund at 4th July 1994) by reference to the retail prices index and this value is reported at each meeting.

OBJECTIVES AND ACTIVITIES

The principal aim of the Reading Foundation, which has remained unchanged from last year, is to advance the education of the public and, in particular, to endow Reading School which was founded in 1125 and which, on 1 February 2011 changed its status from a Foundation School to an Academy, as authorised and defined in the School Standards and Framework Act 1998. Education at the point of delivery is free.

All members of Council, the charity's trustees, give their services free of charge. The Clerk undertakes all the administrative work of the charity and maintains the accounting records.

The School's redesignation as an Academy has resulted in a formal legalisation of the Foundation being landlords of the Reading School site and leasing the majority to the Academy for a period of 125 years at a peppercorn rent. Those buildings wholly or partially used for residential accommodation are covered under a separate 20 year lease. In their capacity as landlords Trustees commissioned a full and complete survey of the buildings on the site in 2011. This was presented to the School in May 2011. The Report highlighted urgent repair work to be completed within 12 months with additional works to be completed within 5 years. The School used a Government Grant of £190,000 to effect some of the urgent repairs. In order to give further assistance to fund maintenance of the fabric of the School, Trustees funded the full cost (£45,350) for repair of part of the Physics Laboratories affected by dry rot and pledged to cover the full cost of repair to the Signals Loft roof estimated at £50,000. In addition it agreed to fund the conversion of disused outbuildings adjacent to South House into a Medical Centre up to £45,000. Trustees reaffirmed their commitment to paying for future repairs to the boundary wall adjacent to the Chapel, estimated to cost £125,000.

In respect of the Award Fund grants were made to enable staff to lead school trips and to assist with student travel costs. As usual it met the cost of the annual prizes awarded to pupils in the School.

ACHIEVEMENTS AND PERFORMANCE

The Foundation has met its charitable objectives in the year by continuing to support the work of Reading School as seen by the activities outlined above.

The structure of the Foundation namely the Award Fund, a restricted fund and two unrestricted funds the School Charity and the BEM Young Bequest (an expendable endowment), has not changed during the year. However, as a consequence of the decision to transfer the investment portfolio managed by Brewin Dolphin to CCLA, all capital is invested in pooled funds as opposed to a mixture of pooled funds and a bespoke service. After consultation with the CCLA investment manager, the mix of funds in which to invest was agreed and the transfer was completed by 31 July 2013. In addition a long-term objective of Trustees was realised in that all the funds held on behalf of Reading School were transferred back to the School. These consisted of the Haines Bequest, the remnants of the 1994 Appeal Fund, the 1125 Fund and the Annual Fund.

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the objectives of the Charity and in planning future activities.

THE READING FOUNDATION

REPORT OF THE COUNCIL (cont'd) For the year ended 31 July 2013

RESPONSIBILITIES OF THE COUNCIL

The Trustees are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare Financial Statements on the going concern basis unless this is inappropriate to presume.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

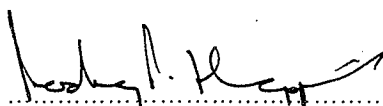
So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Chantrey Vellacott DFK, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 21 November 2013 and signed on their behalf by:-


.....
R P Huggins

**Report of the Independent Auditors to the Trustees of
THE READING FOUNDATION**

For the year ended 31 July 2013

We have audited the financial statements of The Reading Foundation for the year ended 31 July 2013 which comprise the Statement of Financial Activity, the Balance Sheet and the related notes numbered 1 to 10. 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).

Respective Responsibilities of the Governors and Auditors

As explained more fully in the Responsibilities Statement set out on page 5, the Council Members (who are also the directors of The Reading Foundation the purpose of company law and the Trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council and the overall presentation of the financial statements.

We read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the Financial Statements:-

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2013 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.

Report of the Independent Auditors to the Trustees of
THE READING FOUNDATION

For the year ended 31 July 2013

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Council is inconsistent in any material respect with the Financial Statements; or
- the charitable company 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.



.....
Chantrey Vellacott DFK
a trading style of CV Thames Valley Limited
Chartered Accountants, Statutory Auditor
Reading

Dated: 09 - 12 - 2013

Chantrey Vellacott DFK is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE READING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income & Expenditure Account) For the year ended 31 July 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
<i>Income from generated funds</i>						
Donations and legacies		10	62,283	-	62,293	158,629
<i>Activities in furtherance of the charity objectives:</i>						
Contributions		44,214	-	-	44,214	57,228
Other income		21	-	-	21	2,285
Investment Income and interest	2	92,680	36,353	-	129,033	133,348
Total incoming resources	10	136,925	98,636	-	235,561	351,490
RESOURCES EXPENDED						
Charitable Expenditure		(54,611)	(113,277)	-	(167,888)	(471,819)
Governance Costs	3	(11,144)	(11,641)	-	(22,785)	(36,463)
Total resources expended	10	(65,755)	(124,918)	-	(190,673)	(508,282)
Net incoming resources/Net income for the year		71,170	(26,282)	-	44,888	(156,792)
Realised gains/(loss) on investments		-	73,886	70,308	144,194	(16,363)
Net movement in funds for the year		71,170	47,604	70,308	189,082	(173,155)
Unrealised gains/(loss) on investments		-	4,731	28,297	33,028	86,230
Transfer between funds		(6,158)	6,158	-	-	-
Transfer to Reading School		(78,807)	(382,717)	-	(461,524)	-
Net movement in funds (including unrealised gains and transfers) for the year		(13,795)	(324,224)	98,605	(239,414)	(86,925)
Balance at 1 August 2012		305,514	1,358,346	2,090,683	3,754,543	3,841,468
Balance at 31 July 2013		291,719	1,034,122	2,189,288	3,515,129	3,754,543

The statement of financial activities include all gains and losses recognised in the year.

All income resources and resources expended derive from continuing activities.

The notes on pages 10 to 16 form part of these financial statements.

THE READING FOUNDATION

BALANCE SHEET AT 31 July 2013

Company number: 02025362

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Investments	4		3,346,871		1,697,724
CURRENT ASSETS					
Debtors	5	14,595		8,965	
Bank deposit accounts	6	165,368		2,060,386	
Bank and cash balances	7	62		8,300	
			<u>180,025</u>		<u>2,077,651</u>
Creditors					
Amounts falling due within one year	8	(11,767)		(20,832)	
			<u>168,258</u>		<u>2,056,819</u>
Net Assets			<u><u>3,515,129</u></u>		<u><u>3,754,543</u></u>
Funds					
Endowed Funds	10a		2,189,288		2,090,683
Restricted Funds	10b		1,034,122		1,358,346
Unrestricted Funds	10c		291,719		305,514
			<u><u>3,515,129</u></u>		<u><u>3,754,543</u></u>


The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 July 2013. The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2013 in accordance with section 476 of the Companies Act 2006.

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

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than Companies Act 2006.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Financial Statements were approved and authorised for issue by the Council on 21 November 2013 and were signed on their behalf by:-


 R.P. Huggins Chairman

The notes on pages 10 to 16 form part of these financial statements.

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 July 2013

1 ACCOUNTING POLICIES

Basis of preparation

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 Financial Reporting Standard for Smaller Entities (effective April 2008) and the current Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (SORP 2005).

Land and Buildings

The land and buildings known as Reading School is an asset of the School Charity and is leased to the Academy under a 125 year lease at a peppercorn rent. As such the value has not been included in the value of the fund.

Residential and associated accommodation, which includes boarding houses and staff accommodation, is subject to a supplementary 20 year lease at a peppercorn rent. The lease is granted on terms similar to the main lease.

Subject to a number of assumptions the market value of the Foundation's interest assuming its continued educational use and the leases in place is £70,000. This value has not been included in the Balance Sheet.

The land and buildings are insured for a value of £34,110,000.

Fund Accounting

Funds held by the charitable company are either:-

Unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the council members and are available as general funds.

Endowed funds consist of a permanent endowment and an expendable endowment.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Resources expended are accounted for on an accruals basis and are allocated to the particular activity where the cost relates directly to that activity. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance Costs

Governance costs include 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 legal fees together with an apportionment of overhead and support costs.

Investment

Investments held as fixed assets are revalued at the Balance Sheet date and the unrealised gain or loss is taken to the Statement of Financial Activities.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 July 2013 (cont'd.)

2 INVESTMENT INCOME AND INTEREST

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2013 £	Total 2012 £
Investment income	33,421	22,556	-	55,977	63,821
Bank interest received	59,259	13,797	-	73,056	69,527
	<u>92,680</u>	<u>36,353</u>	<u>-</u>	<u>129,033</u>	<u>133,348</u>

3 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2013 £	Total 2012 £
Administration	9,224	9,721	-	18,945	32,863
Audit fee	1,920	1,920	-	3,840	3,600
	<u>11,144</u>	<u>11,641</u>	<u>-</u>	<u>22,785</u>	<u>36,463</u>

None of the members of the council received any remuneration or were reimbursed any expenses (2012: £nil).

Included in unrestricted funds is £972 payable to Tabaq Software Limited in respect of development of the Foundation's website. Sultan Noori, a Trustee of the Foundation, is also director and shareholder of Tabaq Software.

4 INVESTMENTS

	Restricted Funds Award Fund £	Endowed Funds Young Bequest £	School Charity £	Total £
Listed on UK Stock Exchange				
Balance at 1 August 2012	685,943	151,672	847,078	1,684,693
Additions	1,790,004	220,211	2,187,129	4,197,344
Disposals at open market value	(1,487,154)	(170,300)	(910,844)	(2,568,298)
Unrealised gains/(losses)	4,731	(957)	29,254	33,028
	<u>993,524</u>	<u>200,626</u>	<u>2,152,617</u>	<u>3,346,767</u>
Balance at 31 July 2013	993,524	200,626	2,152,617	3,346,767
Cash deposits held by the investment manager	-	104	-	104
	<u>993,524</u>	<u>200,730</u>	<u>2,152,617</u>	<u>3,346,871</u>
Total	<u>993,524</u>	<u>200,730</u>	<u>2,152,617</u>	<u>3,346,871</u>
Historical Cost of Investments listed on the UK Stock Exchange	<u>988,794</u>	<u>201,583</u>	<u>2,123,363</u>	<u>3,313,740</u>

At the 31 July 2013 all of the above investments are held in funds managed by CCLA.

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 July 2013 (cont'd.)

5 DEBTORS

	2013 £	2012 £
Prepayments and accrued income	14,595	8,965
	14,595	8,965
	14,595	8,965

6 BANK DEPOSIT ACCOUNT

	Unrestricted £	Restricted £	Endowed £	2013 £	2012 £
Non Public Accounts	-	-	-	-	45,197
Award Fund	-	44,431	-	44,431	250,469
1994 Appeal	-	-	-	-	6,202
School Charity	110,554	-	-	110,554	143,503
School Charity - Queens Road	-	-	-	-	1,166,589
Young Bequest	10,383	-	-	10,383	35,216
Haines Bequest	-	-	-	-	99,892
1125 Fund	-	-	-	-	313,318
	120,937	44,431	-	165,368	2,060,386
	120,937	44,431	-	165,368	2,060,386

7 BANK CURRENT ACCOUNTS

	Unrestricted £	Restricted £	2013 £	2012 £
Foundation	62	-	62	8,300
	62	-	62	8,300
	62	-	62	8,300

8 CREDITORS

	2013 £	2012 £
Amounts due within one year		
Other creditors	11,767	20,832
	11,767	20,832
	11,767	20,832

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 July 2013 (cont'd.)

9 ALLOCATION OF THE CHARITY NET ASSETS

	Investments £	Bank Account £	Debtors/ Creditors £	Inter- Fund Balances £	2013 £	2012 £
Endowment Funds						
Young Bequest	200,730	-	-	(30,802)	169,928	154,272
School Charity (Queens Road)	2,152,617	-	-	(133,257)	2,019,360	1,936,411
Restricted Funds						
Appeal Fund	-	-	-	-	-	7,989
Award Fund	993,524	44,431	(3,097)	(736)	1,034,122	945,092
Haines Bequest	-	-	-	-	-	99,891
1125 Fund	-	-	-	-	-	305,374
General Funds						
School Charity	-	110,616	5,925	137,043	253,584	232,819
Young Bequest Income	-	10,383	-	27,752	38,135	34,954
Annual Fund						
	-	-	-	-	-	37,741
	<u>3,346,871</u>	<u>165,430</u>	<u>2,828</u>	<u>-</u>	<u>3,515,129</u>	<u>3,754,543</u>

The analysis of debtors and creditors above includes inter- fund balances that have arisen mainly due to the use of the School Charity current account to make payments on behalf of other funds.

10 FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	TOTAL Funds £
Balance at 1 August 2012	305,514	1,358,346	2,090,683	3,754,543
Incoming resources	136,925	98,636	-	235,561
Outgoing resources	(65,755)	(124,918)	-	(190,673)
Gains/(losses) on investments	-	78,617	98,605	177,222
Transfer between funds	(6,158)	6,158	-	-
Transfer to Reading School	(78,807)	(382,717)	-	(461,524)
Balance at 31 July 2013	<u>291,719</u>	<u>1,034,122</u>	<u>2,189,288</u>	<u>3,515,129</u>

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31 July 2013 (cont'd.)

10 a ENDOWMENT FUNDS

	Young Bequest Expendable £	School Charity (Queens Road) Permanent £	Total £
Balance at 1 August 2012	154,272	1,936,411	2,090,683
Unrealised gain (loss) on investments	(957)	29,254	28,297
Realised gain on investments	16,613	53,695	70,308
Balance at 31 July 2013	169,928	2,019,360	2,189,288

Purpose of the endowment funds

The Young Bequest

The trustees can apply the clear income and at its discretion the whole or part of the property of the Young Bequest in the following ways.

- a) In providing benefit for the school for which provision is not made from public funds.
- b) In promoting the education of pupils attending Reading School, children who are about to attend the school and former pupils who have attended the school for not less than two years.

The fund is therefore deemed to be an expendable endowment.

School Charity - Queens Road

The School Charity (Queens Road) is a permanent endowment in which the trustees may apply the clear income in providing benefits for the school for which provision is not made from public funds.

From 1 August 2004, the Foundation operates a Total Return policy on the School Charity Queens Road Fund.

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 July 2013 (cont'd.)

10 b RESTRICTED FUNDS

	1125 Fund £	Haines Bequest £	Appeal Fund £	Award Fund £	Total £
Balance at 1 August 2012	305,374	99,891	7,989	945,092	1,358,346
Incoming Resources					
Donations and deeds of covenant	62,283	-	-	-	62,283
Investment income	-	-	-	22,556	22,556
Interest received	1,222	612	37	11,926	13,797
Total incoming resources	63,505	612	37	34,482	98,636
Resources Expended					
Grants and project expenditure	(100,503)	-	-	(12,774)	(113,277)
Administration	(346)	-	-	(11,295)	(11,641)
Total resources expended	(100,849)	-	-	(24,069)	(124,918)
Net incoming/(outgoing) resources	(37,344)	612	37	10,413	(26,282)
Gains/(Losses) on investments					
Realised gain on investments	-	-	-	73,886	73,886
Unrealised gain on investments	-	-	-	4,731	4,731
	-	-	-	78,617	78,617
Transfer between funds	7,944	-	(1,786)	-	6,158
Transfer to Reading School	(275,974)	(100,503)	(6,240)	-	(382,717)
Balance at 31 July 2013	-	-	-	1,034,122	1,034,122

1125 Fund*

The assets of this fund are held on behalf of Reading School and consist of donations to fund building projects as well as other extra curricular activities.

Haines Bequest*

Under the terms of the will of the benefactor, the fund is to be used largely for a science project with the balance being made available for the development of cricket at the school.

Appeal Fund*

An appeal was launched in 1994 to raise money to meet expenditure on new biology laboratories and other capital projects.

Award Fund

The income from the investments of the fund is to be used in promoting the education of pupils attending Reading School, children who are about to attend the school and former pupils who have attended the school for not less than two years by awarding allowances, exhibitions and prizes.

* transferred to Reading School during the year as detailed in the Report of the Council (page 4)

THE READING FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 July 2013 (cont'd.)

10 c UNRESTRICTED FUNDS

	Young Bequest Income Fund £	School Fund £	Annual Fund £	Total £
Balance at 1 August 2012	34,954	232,819	37,741	305,514
Incoming Resources				
Contributions/Donations	-	10	44,214	44,224
Investment income	3,419	30,002	-	33,421
Interest received	609	58,618	32	59,259
Other income	-	21	-	21
Total incoming resources	4,028	88,651	44,246	136,925
Resources Expended				
Annual fund expenditure	-	(51,537)	(3,074)	(54,611)
Administration	(847)	(10,046)	(251)	(11,144)
Total resources expended	(847)	(61,583)	(3,325)	(65,755)
Net incoming/(outgoing) resources	3,181	27,068	40,921	71,170
Gains/(Losses) on investments				
Realised gain on investments	-	-	-	-
Unrealised gain on investments	-	-	-	-
	-	-	-	-
Transfer between funds	-	(6,303)	145	(6,158)
Transfer to Reading School	-	-	(78,807)	(78,807)
Balance at 31 July 2013	38,135	253,584	-	291,719

Annual Activity Fund

Contributions to the fund are by an annual levy paid by the parents of pupils of Reading School to meet extra curriculum activities, which are not met from public funds. This fund has been transferred to Reading School during the period as detailed in the Report of the Council (page 4).

School Charity

The charity contains land and buildings occupied by Reading School and used for the purpose of a Foundation School. The trustees can apply the clear income in providing benefits for the school for which provision is not made from public funds.