

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No.01285858)

Registered Charity No.272905

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31st March 2017

**Registered Office
1a Melville Avenue
South Croydon
CR2 7HZ**

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

Registered Charity No 272905

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THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

Registered Charity No 272905

DIRECTORS

F Newton	Chairman
J Newton	Treasurer
R Adams	
J Bowers	
R Jeffries	
Mrs J Sanders	
Ms T Weithers	
I Trumper	
Miss E Thomas	Appointed 23 May 2016
Miss CAL Cooper	Appointed 23 May 2016

SECRETARY

Mrs A Howes Company Secretary

REPORT OF THE DIRECTORS

The Directors present their Report and the audited Financial Statements for the year ended 31st March 2017.

REFERENCE and ADMINISTRATIVE DETAILS

The Garwood Foundation, is a company registered under the Companies Act 1985, limited by Guarantee. The Company and Charity registration numbers are shown above. The address of the registered office (also the principal office of the Foundation) is 1a Melville Avenue, South Croydon, Surrey, CR2 7HZ.

The Foundation operates a school for 23 severely disabled children aged 2-19 years in Melville Avenue; a registered residential home (Jean Garwood House) serving some 13 disabled adults in Bramley Hill and finally a day centre (Bramley Hill Centre) also in Bramley Hill, for up to 60 adults aged 18-70 years with multiple disabilities.

The names of all the Trustees at the date of this report, as well as those who served during the year, are shown above.

The Chief Executive Officer (Director of Services) to whom day-to-day running of the charity is delegated, is Keith Minear.

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

DIRECTORS' REPORT (continued)

Names and addresses of relevant organisations are:

Bankers	HSBC, 9 Wellesley Road, Croydon, CR9 2AA Barclays, 1 North End, Croydon, CR9 1RN
Auditors	Palmer McCarthy, Suite 70, Capital Business Centre, 22 Carlton Road, South Croydon CR2 0BS
Solicitors	ASB Law, Innovis House, 108 High Street, Crawley, RH10 1AS Streeter Marshall, 12 Purley Parade, Purley, CR8 2AB

STRUCTURE, GOVERNANCE and MANAGEMENT

The Foundation was formed in 1952 as the Croydon & District Branch of the National Spastics Society, and later changed its name to the Croydon Sutton & District Spastics Society. It was incorporated as a Company limited by guarantee on 1 April 1977. It again changed its name to The Garwood Foundation in December 2000, and is governed by its Memorandum and Articles of Association.

New Trustees are mainly recruited through personal contact and are appointed by a majority of serving Trustees on the Board, during the year to fill a casual vacancy.

All new Trustees undergo a period of familiarisation with the workings of the Board and the Foundation before being voted in as a Trustee. They are also provided with a copy of the Foundation's governing document (Memorandum & Articles), the previous year's accounts, previous Trustee's meeting minutes and copies of relevant Charity Commission publications e.g. RS1 and CC3.

Under the requirement of the Companies and Charities Acts, The Foundation is no longer required to hold an Annual General Meeting. However it is intended to retire and re elect Trustees by rotation.

Three Trustees were due to retire this financial year, and they have all been re elected.

The Foundation makes decisions to further its objects by means of a number of departmental Management Committees and the Board of Governors for Rutherford School, with the final decision on any matter resting with the Board of Trustees.

Although independent of any other charitable organisation, the Foundation leases Jean Garwood House and Bramley Hill sites from SCOPE at a peppercorn rent. In addition it co-operates with certain other charities in pursuit of its charitable activities. It also has a wholly-owned subsidiary – Croydon CP Trading Limited, which runs three charity shops in Addiscombe, South Croydon and Coulsdon.

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to mitigate those risks and are regularly reviewed by the Trustees and Management of the Foundation. A Finance and Audit Committee has also been established during the year and they monitor all possible financial risks and ensure the Foundation is adequately funded through a prudent reserves policy.

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

DIRECTORS' REPORT (continued)

OBJECTIVES AND ACTIVITIES

The objects, as set out in the Articles of Association state that the Foundation, acting as a charity, works for the care, welfare, interest, education and advancement of people with cerebral palsy and allied conditions residing in the London Boroughs of Croydon and Sutton and the surrounding districts.

The Foundation, in order to comply with its aims of providing services for general public benefit, accepts children and adults from the whole spectrum of the total UK population who require specialist services for those suffering with mental and physical disabilities.

The aims of the Foundation are to provide a wide range of services for local people with disabilities, their families and carers, by the provision of a school, a registered residential home and a day centre. In addition, the Foundation provides a welfare support service for the children and adults and their families and carers, liaising in these matters with various relevant statutory support bodies.

The main objectives for the year have been to continue with the ongoing services provided at Bramley Hill, Jean Garwood House and Rutherford School and the strategies for achieving these are largely to ensure that local authorities accept their full share of responsibility for funding them. As a result the main objectives of the year to March 2017 have been achieved. However the Foundation has referred to the guidelines set out by the Charity Commission on Public Benefit when reviewing its aims and objectives and in the planning for its future. Achievement of these objectives becomes generally more difficult year on year, as local authority budgets (which produce most of our income) are constantly being squeezed by other factors.

A number of volunteers operate in every aspect of the business and without their help some activities would not take place. The charity shops are largely staffed by volunteers, several help in the school and at Bramley Hill on a regular basis, as well as helping at fetes and other fundraising functions held during the year. The Trustees are, as always, extremely grateful for the enormous contribution provided by these volunteers.

ACHIEVEMENTS and PERFORMANCE

In the year to March 2017 the overall consolidated position for the financial year indicates a surplus of £88,298, before providing for the Pensions Trust deficit of £4,185.

The operating units at Bramley Hill and Rutherford School both showed small losses after taking into account the income derived from the hire of facilities at both centres.

The other operating unit at Jean Garwood House produced a loss in the region of £22000 due in the main to two residents down on budgeted figures.

The income from the bungalow, donations, legacies, appeals and the three shops produced the surplus shown in the Accounts. The shops at Addiscombe, Couldson and South Croydon produced a net profit of £19,059 on a turnover of £197,411.

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW

The excess of incoming over outgoing resources for the financial year (see page 7 of the accounts) amounted to £84,113 (2016 £1,319). The total income generated from all sources amounted to £2,617,780 (2016: £2,596,678) and the total resources expended were £2,532,292 (2016: £2,582,997). A detailed breakdown of all these figures is shown in the attached accounts and notes. The outcome for this year is summarised in Achievements and Performance (above).

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Companies Act 2006, applicable to small companies and in accordance with the Charities SORP 2015.

FOUNDATION'S POLICY ON RESERVES

The Foundation's policy on reserves is to maintain a reasonable balance to ensure that normal running costs can be met as and when they fall due and the aims and objectives of the charity can be achieved. The balance of reserves at 31 March 2017 amounted to £3,594,367 (2016: £3,510,254), but this includes permanent fixed assets amounting to £3,126,782 (2016: £3,144,670).

FREEHOLD PROPERTY

The value of the freehold property at 1a Melville Avenue at 31st March 2017, (included in the accounts at some £2,868,388) is considered by the directors to be not less than the figure of £2,765,000 at which it was professionally valued for insurance purposes at 11 May 2009.

PRINCIPAL FUNDING SOURCES

These are:

• Local Authorities	£2,223,714
• Donations and legacies	£ 72,297
• Appeals/other income	£ 101,684
• Gross Income from subsidiary companies	£ 197,411
• Investment income	£ 22,674

Expenditure has supported the key objectives as follows:

Bramley Hill Centre	£ 462,106
Jean Garwood House	£ 454,492
Rutherford School	<u>£ 1,415,747</u>

Total resources expended on charitable activities (including support costs)	<u>£ 2,332,345</u>
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EXTRAORDINARY EXPENDITURE

A figure of £80,833 has been included in the Accounts and relates to our share of the current shortfall in the valuation of assets supporting The Pension Trust portfolio. This is a prudent measure as agreed by the Trustees.

THE GARWOOD FOUNDATION
(A Company limited by Guarantee – Reg.No. 01285858)

DIRECTORS' REPORT
(continued)

PLANS FOR THE FUTURE

The major key objective for the coming year will be to continue to consolidate our position in the community and strengthen our liquidity to the levels seen in previous years. We are also investigating the possibility of replacing the Hydrotherapy Pool at Rutherford School and looking at the provision of a service for young adults 19 to 21 years. We continue to seek suitable premises for additional charity shops.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNT

The Directors are required by UK company law to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the year and of the surplus or deficit for the year.

The accounts have been prepared on a going concern basis.

Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts. Applicable accounting statements have been followed.

The Directors are also responsible for maintaining adequate accounting records, which enable them to ensure that they comply with the Companies Act 2006, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

AUDITORS

So far as we are aware, there is no information needed by the company's auditors in connection with preparing their report, of which they are unaware. Each director has taken all steps that he/she ought to have taken, as a director, in order to make him/herself aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

A resolution to re-appoint the auditors Palmer McCarthy, and to authorise the directors to approve their remuneration, will be submitted at an Annual Meeting.

Registered Office
1a Melville Avenue
South Croydon,
Surrey CR2 7HZ

By order of the Board

A. Howes

Alida Howes
Company Secretary

Dated:

21st September 2017

**INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF THE GARWOOD FOUNDATION
(Limited by Guarantee)**

We have audited the group and parent company financial statements of The Garwood Foundation for the year ended 31st March 2017, which comprise the Group and Parent Company Statements of Financial Activities, Group and Parent Company Balance Sheets and Group related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard 102.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Audit Practices Board's (APB'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 directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Directors' Report 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

G P Davey
 Gerald Philip Davey FCCA, CTA (Senior Statutory Auditor)
 for and on behalf of Palmer McCarthy
 Chartered Certified Accountants
 Statutory Auditors
 Suite 70, Capital Business Centre,
 22 Carlton Road, South Croydon,
 CR2 0BS

28th SEPTEMBER 2017

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THE GARWOOD FOUNDATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)
for the year ended 31 March 2017

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Notes	2016
	£	£	£	£		£
Income & Endowments from:						
Donations & Legacies	61,668		29,891	91,559	7	53,535
Other Trading Activities	279,833		-	279,833	8	266,479
Investments: interest, dividends, rents	22,674		-	22,674		24,458
Income from charitable activities	2,223,714		-	2,223,714	9	2,252,206
Total	2,587,889	-	29,891	2,617,780		2,596,678
Expenditure on:						
Raising Funds	199,947		-	199,947	10	156,216
Charitable activities	2,318,409		13,936	2,332,345	11	2,426,781
Total	2,518,356	-	13,936	2,532,292		2,582,997
Gain/Loss on investment assets	2,810	-	-	2,810		(1,761)
Net income/(expenditure)	72,343	-	15,955	88,298		11,920
Transfers						
Gross transfers between funds	71,465		(71,465)	-	15	-
Net incoming resources before other recognised gains and losses	143,808	-	(55,510)	88,298		11,920
Other recognised gains or losses						
Gain on Asset Disposal	-		-	-		-
Pensions Trust Deficit	(4,185)			(4,185)		(10,601)
Net movement in funds	139,623	-	(55,510)	84,113		1,319
Reconciliation of Funds						
Total funds brought forward	3,400,413		109,841	3,510,254		3,508,935
Total Funds carried forward	3,540,036	-	54,331	3,594,367		3,510,254

The Statement of Financial Activities includes all gains and losses recognised during the year.
All income and expenditure derive from continuing activities.

THE GARWOOD FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

	Total Funds £	Notes	Prior year total funds £
Fixed Assets			
Tangible assets	3,117,126	3	3,137,824
Investments	9,656	4	6,846
Total Fixed Assets	<u>3,126,782</u>		<u>3,144,670</u>
Current Assets			
Debtors	65,615	5	44,935
Cash at bank and in hand	592,137		501,974
Total Current Assets	<u>657,752</u>		<u>546,909</u>
Liabilities:			
Creditors falling due within 1 year	109,334	6	95,955
Net Current Assets	<u>548,418</u>		<u>450,954</u>
Total assets less current liabilities	<u>3,675,200</u>		<u>3,595,624</u>
Defined Pension Scheme Liability	80,833	16	85,370
Net Assets Including Pension Liability	<u>3,594,367</u>		<u>3,510,254</u>
Funds of the Foundation			
Unrestricted Income Funds	3,540,036	15	3,400,413
Restricted Income Funds	54,331	15	109,841
Total Foundation Funds	<u>3,594,367</u>		<u>3,510,254</u>

The financial statements were approved by the board of directors and authorised for issue on 19th September 2017 and are signed on its behalf by

Frank Newton



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John Newton



Directors

THE GARWOOD FOUNDATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

	2017 £	2016 £
Net Cash Used in operating activities (see note 20)	<u>72,248</u>	<u>(23,980)</u>
Cash Flows from investing activities		
Investment Income	22,674	24,458
Purchase of Fixed Assets	<u>(4,759)</u>	<u>(3,575)</u>
Cash Provided by (used in) investing activities	<u>17,915</u>	<u>20,883</u>
Increase (decrease) in cash and cash equivalents at the end of the year	90,163	(3,097)
Cash and cash equivalents at the beginning of the year	<u>501,974</u>	<u>505,071</u>
Total cash and cash equivalents at the end of the year	<u><u>592,137</u></u>	<u><u>501,974</u></u>

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THE GARWOOD FOUNDATION
(Limited by Guarantee)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31st March 2017

1 ACCOUNTING POLICIES

a) **BASIS OF ACCOUNTING**

The financial statements are consolidated to incorporate the results of its wholly owned subsidiary and are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) **INCOME**

All income, except Income from Charitable Activities, are accounted for on an "as received" basis. Income from Charitable Activities is accounted for on an accruals basis.

c) **EXPENDITURE**

All expenditure is included in the accounts on an accruals basis.

d) **POLICY FOR ALLOCATING ITEMS WITHIN TYPES OF EXPENDITURE**

- i. Raising Funds – relates to trading subsidiary company and all appeals costs including salaries.
- ii. Charitable Activities– relates to all direct costs incurred in running the Charity, including support costs
- iii. Support costs – include all administrative salaries and related pension and employer costs
- iv. Governance costs – include costs of audit only and are included in Support Costs.

e) **ASSET POLICY NOTES**

- i. Fixed assets for Charity Use are included at cost less depreciation
- ii. Items valued at less than £1,000 each are not normally capitalised.
- iii. Fixed Asset investments are included at mid-market value at 31 March.

f) **DEPRECIATION**

Depreciation has been provided to write off all tangible fixed assets, other than certain freehold property, over their expected useful lives, in equal annual instalments. The following rates have been applied:

Freehold property	10% p.a.(but see note below)
Leasehold property improvements	5% p.a.
Motor vehicles, caravan and plant & equipment	20% p.a.

Freehold property at Melville Avenue is shown at cost less depreciation provided in earlier years. No further depreciation is being provided, as it is the Foundation's policy to maintain freehold properties to at least the condition existing at the time of purchase, and the properties are considered to have a value in excess of their cost. The land and the original school building were donated to the Foundation many years ago and therefore have no cost on the Balance Sheet.

g) **Gains or losses on investment assets included in the SOFA relate to the increase or decrease in mid-market value of the investments between 31 March 2016 and 2017.**

h) **PENSIONS**

The Foundation participates in three pension schemes, and makes limited contributions to Stakeholder Pensions for some staff. The contributions payable are charged to revenue.

The Pensions Trust scheme, in which The Foundation currently has one member provides defined benefits. Under the rules of the scheme where a participating organisation withdraws from the scheme completely, they have to bear their share of the deficit existing at the time of withdrawal. Given that there is now only one remaining member, as described in note 16, the Trustees consider it prudent to make provision for the deficit at the year end. Provision has been made in these accounts based on the Net Present Value of the deficit.

i) **TAXATION**

The Company is a registered charity and is not subject to taxation.

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THE GARWOOD FOUNDATION
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 DIRECTORS' EMOLUMENTS

Under Article 37 of the Articles of Association no emoluments are payable to directors, however travel expenses totalling £461 were paid to 2 directors in the year. No director has any beneficial interest in any contract with the Foundation.

3 TANGIBLE ASSETS

	Freehold Property £	Leasehold Property (long) £	Motor Vehicles £	Plant and Equipment £	Total £
COST					
At 1 April 2016	2,909,048	583,649	255,322	481,597	4,229,616
Additions in year	-	-	-	4,759	4,759
Disposals in year	-	-	-	-	-
At 31 March 2017	2,909,048	583,649	255,322	486,356	4,234,375
DEPRECIATION					
At 1 April 2016	40,660	320,855	255,322	474,955	1,091,792
Charge for the year	-	22,385	-	3,072	25,457
Disposals in year	-	-	-	-	-
At 31 March 2017	40,660	343,240	255,322	478,027	1,117,249
NET BOOK VALUE					
At 31 March 2017	2,868,388	240,409	-	8,329	3,117,126
At 31 March 2016	2,868,388	262,794	-	6,642	3,137,824

4 INVESTMENTS

	2017 £	2016 £
Quoted investments:		
Mid market value 1 April	6,846	8,607
Proceeds of shares redeemed in year		
Realised investment profit on shares redeemed		
Unrealised investment profit/(loss) on remaining shares	2,810	(1,761)
Mid market value 31 March (original cost £ 1,953)	9,656	6,846

A legacy in the form of Shares & Securities has been bequeathed to the Foundation. The estimated valuation of the portfolio is £143000. The shares have not yet been transferred into the name of the Foundation and will be recognised in the accounts as and when this has taken place.

5 DEBTORS

	2017	2016
Trade debtors	14,271	10,776
Other debtors, prepayments and accrued income & advance rental	51,344	34,159
	65,615	44,935

6 CREDITORS (due within one year)

	2017	2016
Tax and social security creditors	32,383	31,500
Other accruals	76,951	64,455
	109,334	95,955

THE GARWOOD FOUNDATION
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 DONATIONS & LEGACIES	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Donations & Grants	15,167	29,891	45,058	38,653
Legacies	27,239	-	27,239	-
Appeals, Subscriptions & Friends	19,262	-	19,262	14,882
	<u>61,668</u>	<u>29,891</u>	<u>91,559</u>	<u>53,535</u>

8 OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Sale of Cards	154	-	154	109
Hire of Facilities	82,268	-	82,268	74,217
Sales Receipts Subsidiary Company	197,411	-	197,411	192,153
	<u>279,833</u>	<u>-</u>	<u>279,833</u>	<u>266,479</u>

9 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Bramley Hill Centre	404,325	-	404,325	426,137
Jean Garwood House	432,255	-	432,255	455,655
Rutherford School	1,387,134	-	1,387,134	1,370,414
	<u>2,223,714</u>	<u>-</u>	<u>2,223,714</u>	<u>2,252,206</u>

10 COSTS OF RAISING FUNDS	2017 £	2016 £
Fund Raising Trading	178,610	148,951
Direct staff and administration costs of running the Appeals department	21,337	7,265
	<u>199,947</u>	<u>156,216</u>

11 EXPENDITURE ON: CHARITABLE ACTIVITIES (including allocation of support costs)	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Bramley Hill Centre	460,591	1,515	462,106	479,746
Jean Garwood House	450,761	3,731	454,492	435,101
Rutherford School	1,407,057	8,690	1,415,747	1,511,934
	<u>2,318,409</u>	<u>13,936</u>	<u>2,332,345</u>	<u>2,426,781</u>

12 SUPPORT COSTS (included in Note 11)	Bramley Hill Centre £	Jean Garwood House £	Rutherford School £	Total 2017 £
Administration Staff Costs	27,796	27,797	27,797	83,390
Information Technology	1,830	1,831	1,831	5,492
Governance Costs	2,900	2,901	2,901	8,702
Caravan Depreciation & Expenses	3,736	3,737	3,737	11,210
Other costs	1,927	1,927	1,927	5,781
Allocated to Fund Raising Trading	(10,528)	(10,528)	(10,528)	(31,584)
	<u>27,661</u>	<u>27,665</u>	<u>27,665</u>	<u>82,991</u>
Total Support Costs 2016	<u>24,296</u>	<u>22,201</u>	<u>78,898</u>	<u>125,395</u>

The Trustees have made a policy decision that Support Costs will be allocated equally between the operating divisions of the Foundation. Previously these were allocated on the basis of resources directly expended on the charitable activities by each unit.

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THE GARWOOD FOUNDATION
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13 STAFF COSTS

These costs are included in "Costs of generating voluntary income" and "Resources expended on charitable activities" above and consist of:	2017	2016
	£	£
Salaries and wages	1,746,124	1,698,021
Social security costs	139,522	132,795
Pension costs	33,543	35,993
	1,919,189	1,866,809

Included in salaries and pension costs above are employee and employer contributions (respectively) to the pension schemes referred to in Accounting Policies (Note 1h).

The estimated average number of full-time equivalent employees:	2017	2016
	Number	Number
	£	£
Activities for generating funds	95	86
Management and administration	3	3
Appeals	1	1
	99	90

The Chief Executive of the Foundation received total employee benefits of £50,820 (2016- £50,820).

14 Net income/(expenditure) for the year	2017	2016
	£	£
This is stated after charging the following:		
Depreciation	25,458	30,513
Auditors Remuneration	8,700	8,400
	8,700	8,400

15 MOVEMENTS IN FUNDS

Fund	Balance 01-Apr-16 £	Movement in resources:			Balance 31-Mar-17 £	Balance 2016 £
	£	Incoming £	Outgoing £	Transfers £	£	£
<u>Unrestricted Funds</u>	3,400,413	2,590,699	(2,522,541)	71,465	3,540,036	3,400,413
<u>Restricted Funds</u>						
Bramley Hill Fund	66,620			(66,620)	-	66,620
JGH Vehicle Fund	4,845			(4,845)	-	4,845
RS Donations & Legacies	20,125	10,708	(8,690)		22,143	20,125
JGH Donations & Legacies	8,053	10,510	(3,731)		14,832	8,053
BH Donations & Legacies	5,698	8,673	(1,515)		12,856	5,698
IT Admin Expenditure	4,500				4,500	4,500
	109,841	29,891	(13,936)	(71,465)	54,331	109,841

16 PENSION FUND DEFICIT

The Foundation participates in a defined benefit scheme run by The Pensions Trust. This scheme has been running at a deficit for a number of years. As the Foundation has one remaining member of the scheme, the Trustees considered it prudent to recognise the deficit in the annual accounts. The Net Present Value of the deficit during the year ended 31st March 2017 reflects the following movements:

	£
Balance 31st March 2016	85,370
Additional payments made during the year	(8,722)
Actuarial Adjustments	4,185
Balance 31st March 2017	80,833

17 INVESTMENT IN SUBSIDIARIES

Croydon C P Trading Limited is a wholly-owned trading subsidiary of the Foundation. These accounts are consolidated to include their results. The Annual surplus of the company is transferred to the Foundation in accordance with its Memorandum of Association.

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THE GARWOOD FOUNDATION
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 MEMBERS' GUARANTEE

The Foundation is a company limited by guarantee. Following an updating of the Foundation's constitution, the company no longer has members, and is governed by its board of Trustees.

19 CAPITAL EXPENDITURE COMMITMENTS

The Foundation is committed to purchasing a new Mini Bus for approximately £40,000.

20 Reconciliation of net movements in funds to net cash flow from operating activities

	2017	2016
	£	£
Net Movement in Funds	88,298	11,920
Add Back Depreciation Charge	25,457	30,513
Deduct Investment Income	(22,674)	(24,458)
Gain/Loss on Investments	(2,810)	1,761
Pension Trust Deficit Contribution	(8,722)	(10,231)
Increase in Debtors	(20,680)	(11,005)
Increase in Creditors	13,379	(22,480)
	<hr/>	<hr/>
Net Cash Used in operating activities	72,248	(23,980)

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THE GARWOOD FOUNDATION
(Limited by Guarantee)

NON CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)
for the year ended 31 March 2017

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	2016
	£	£	£	£	£
Income & Endowments from:					
Donations & Legacies	61,668		29,891	91,559	53,535
Other Trading Activities	101,481		-	101,481	117,844
Investments: interest, dividends, rents	22,416		-	22,416	24,142
Income from charitable activities	2,223,714		-	2,223,714	2,252,206
Total	2,409,279	-	29,891	2,439,170	2,447,727
Expenditure on:					
Raising Funds	21,337		-	21,337	7,265
Charitable activities	2,318,409		13,936	2,332,345	2,426,781
Total	2,339,746	-	13,936	2,353,682	2,434,046
Gain/Loss on investment assets	2,810	-	-	2,810	(1,761)
Net income/(expenditure)	72,343	-	15,955	88,298	11,920
Transfers					
Gross transfers between funds	71,465		(71,465)	-	-
Net incoming resources before other recognised gains and losses	143,808	-	(55,510)	88,298	11,920
Other recognised gains or losses					
Gain on Asset Disposal	-		-	-	-
Pensions Trust Deficit	(4,185)		-	(4,185)	(10,601)
Net movement in funds	139,623	-	(55,510)	84,113	1,319
Reconciliation of Funds					
Total funds brought forward	3,400,413		109,841	3,510,254	3,508,935
Total Funds carried forward	3,540,036	-	54,331	3,594,367	3,510,254

The Statement of Financial Activities includes all gains and losses recognised during the year.
All income and expenditure derive from continuing activities.

THE GARWOOD FOUNDATION

NON CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

	Total Funds £	Prior year total funds £
Fixed Assets		
Tangible assets	3,117,126	3,137,824
Investments	9,658	6,848
Total Fixed Assets	<u>3,126,784</u>	<u>3,144,672</u>
Current Assets		
Debtors	423,580	299,206
Cash at bank and in hand	233,293	246,590
Total Current Assets	<u>656,873</u>	<u>545,796</u>
Liabilities:		
Creditors falling due within 1 year	108,457	94,844
Net Current Assets	<u>548,416</u>	<u>450,952</u>
Total assets less current liabilities	<u>3,675,200</u>	<u>3,595,624</u>
Defined Pension Scheme Liability	<u>80,833</u>	<u>85,370</u>
Net Assets Including Pension Liability	<u>3,594,367</u>	<u>3,510,254</u>
Funds of the Foundation		
Unrestricted Income Funds	3,540,036	3,400,413
Restricted Income Funds	54,331	109,841
Total Foundation Funds	<u>3,594,367</u>	<u>3,510,254</u>



F. Newton

19th September 2017