

CHARITY REGISTRATION NUMBER: 312707

**The John Roan Foundation**  
**Financial Statements**  
**31 August 2021**

**OPASS BILLINGS WILSON & HONEY LLP**

Chartered Certified Accountants & statutory auditor

Numeric House

98 Station Road

Sidcup

Kent

DA15 7BY

# **The John Roan Foundation**

## **Financial Statements**

**Year ended 31 August 2021**

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# **The John Roan Foundation**

## **Trustee's Annual Report**

**Year ended 31 August 2021**

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### **Reference and Administrative Details**

**Registered Charity Name**                      The John Roan Foundation

**Charity Registration Number**              312707

**Principal Office**                                The John Roan School  
Maze Hill  
London  
SE3 7UD

**The Trustee**                                        John Roan Foundation Trustee  
Limited

Directors of John Roan Foundation Trustee Ltd (referred as Trustees in this report) during the year were as follows:

**Nominated**  
Ms E Daniels  
Mr A Wilson  
Ms P Maras  
Mr M Roberts  
Councillor M Lolavar

**Co-opted**  
Ms L Nelson (Chair)  
Ms E Fuller  
Mr V Lawrence  
Mr M Moore  
Mr C Strong  
Ms J Farmer

**Ex-officio**  
Ms C Smith

**Clerk to the Trust**                              Ms L Clayton

**Auditor**    Opass Billings Wilson & Honey LLP  
Chartered Certified Accountants & statutory auditor  
Numeric House  
98 Station Road  
Sidcup  
Kent  
DA15 7BY

**Bankers**    Lloyds TSB Plc  
71 Lombard Street  
London  
EC3P 3BS

# **The John Roan Foundation**

**Trustee's Annual Report** *(continued)*

**Year ended 31 August 2021**

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## **Structure, governance and management**

### **Nature of the Governing Document and constitution of the charity**

The Charity is named the John Roan Foundation with charity registration number 312707. In the matter of the Charity known as the John Roan Foundation (originally known as Roan Schools), in the Royal Borough of Greenwich, regulated by a Scheme of the Charity Commission approved by His Majesty in Council on the 19th November 1902, as varied or affected by Schemes made by the Board of Education on the 13th January 1905, the 31st August 1909, the 21st December 1915, the 31st January 1922 and the 19th June 1998 comprised in Articles of Government established by an Order of the Minister of Education of the 23rd October 1961 as varied by an Order of the Minister of Education of the 10th June 1977, and comprised in the John Roan School (Instrument of Government) Order 1983 and the John Roan School (Articles of Government) Order 1983, and as varied by a resolution of the Trustees of the Charity on the 24th September 2013; and In the matter of the Charities Act 2011 including any statutory modification or re-enactment for the time being in force ('the Act'). A Scheme on 16th August 2019 appointed a sole corporate Trustee for the Charity, John Roan Foundation Trustee Limited, a company registered by guarantee, company number 11905489. The previous Trustees became Directors of the new company, but are referred to as Trustees in this Annual Report.

### **The methods adopted for the recruitment and appointment of new Trustees**

Directors of John Roan Foundation Trustee Ltd shall consist, when complete, of not more than thirteen and not fewer than eleven competent persons being:

- The Head Teacher
- Not more than six and not fewer than four Co-opted Trustees and
- Six nominated Trustees appointed as follows:
  - Two by the Council of the Royal Borough of Greenwich as the local education authority;
  - One by the University of Greenwich;
  - One parent or guardian by the John Roan School;
  - One by the teaching staff of the John Roan School; and
  - One by the Old Roan Association.

Every Trustee appointed (other than the Head Teacher) shall be appointed for four years, or if the appointment is being made to fill a casual vacancy, the unexpired term of their predecessor.

### **The policies and procedures adopted for the induction and training of Trustees**

There is an induction procedure for all new Trustees. This includes an invitation by the Chair to meet prior to their attendance at their first meeting to give background information regarding the Charity and its aim and objectives. All new Trustees are provided with all required information on appointment.

### **The organisational structure of the charity and how decisions are made**

The Charity holds six meetings per year, the meetings are minuted and an agenda is sent out in advance. Decisions are made following full discussion and by reaching majority decision. Sub-committees for Finance, Property Management and the Playing Fields meet on a regular basis and report back to the board.

# **The John Roan Foundation**

**Trustee's Annual Report** *(continued)*

**Year ended 31 August 2021**

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## **Structure, governance and management** *(continued)*

### **Financial Risk Management Objectives and Policies**

The Trustees have given consideration to the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

The Trustees consider that a major risk is one which, if it materialised, would have a significant adverse impact on the Charity's ability to function and achieve its purposes, namely awarding grants. The Trustees recognise that risks can arise not only from the Charity's activities but also from failure to act or exploit opportunities.

The Trustees do not consider that all risks should be avoided. They are not averse to taking reasonable risks as part of their strategy to achieve the Charity's objects. However, they wish to be made aware of the major risks the Charity faces so that they can plan how to manage those risks and mitigate their effects.

The Trustees have considered the major risks faced by the Charity, and these are detailed in a Risk Register. The risks are categorised in the register as pertaining to finance, assets, health and safety, key personnel, grant making, governance and IT and office. The Risk Register is reviewed annually.

Covid was an unforeseen risk, but the Trustees were able to continue governance through virtual meetings. There was not a significant financial impact on the Charity. Although commercial lettings at the Playing Fields were not possible at some times during lockdown, the Charity was able to access financial assistance from the government. Rental income from the investment property portfolio was not significantly impacted by tenants not able to pay their rent. The health and safety impact of Covid on the properties was managed by Peter James Estates, the appointed property manager of the Charity.

### **Objectives and activities**

#### **An explanation of the charity's main objectives for the year**

The Trustees review the Charity's aims, objectives and activities each year, to ensure that they remain focused on the stated purposes. The account below sets out what the Charity has achieved in each area of activity. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

# **The John Roan Foundation**

**Trustee's Annual Report** *(continued)*

**Year ended 31 August 2021**

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## **Objectives and activities** *(continued)*

### **The objectives of the charity are:**

- a) Towards providing such special benefits of any kind not normally provided out of public funds for the School as may from time to time be agreed between the Trustees and the Governors of that School;
- b) In promoting the education (including social and physical training) of persons under the age of 25 years who are either attending or have attended the School or any other school in the maintained sector in the London Borough of Greenwich, and who are in need of financial assistance and in particular without prejudice to the generality of the foregoing:-
  - In awarding to such persons scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at any school, university, college of education, or other institution of further (including professional and technical) education approved for the purpose by the Trustees.
  - In providing financial assistance, outfits, clothing, tools, instruments or books to assist such persons to pursue their education (including the study of music and other arts), to undertake travel in furtherance thereof, or to prepare for or enter a profession, trade, occupation or service on leaving school, university, or other education establishment.
- c) Within the limits prescribed by this Scheme the Trustees shall have full power to make rules for the award of scholarships, exhibitions, bursaries, maintenance allowances and other benefits, including rules as to the value and period of tenure of the awards and the qualifications, method of ascertainment and selection of candidates for benefit.
- d) In allocating benefits the Trustees shall have regard to the promotion of education in accordance with the principles and doctrines of the Christian Faith.

# The John Roan Foundation

## Trustee's Annual Report *(continued)*

Year ended 31 August 2021

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### Achievements and performance

#### Activities undertaken to achieve objectives

The Trustees make regular grants each year and also consider one off applications. Grants are made to encourage the personal development of the students outside the normal subject curriculum.

Regular grants include payment of music lessons so that all students are given the opportunity to learn a musical instrument free of charge; for a student to attend the London International Youth Science Forum (LIYSF); the award of Exhibitions to the highest performing girl and boy to help with university costs; achievement awards to encourage personal accomplishment of students; to help pay towards minibus running expenses and to help necessitous students participate fully in school life.

During the year the Trustees made a number of grants to the school. These are included in the list below. An application procedure has been established in the school and all staff are encouraged to make applications for additional ad hoc grants to the Trustees to enhance the education of the students. Each grant is considered by the Trustee board. The Head Teacher reports back to the Trustees on the impact successful grants have had on the students. Over the long-term the Trustees consider the impact that grants have made to the success of the school and its pupils.

The grant giving was impacted during the year because most activities were cancelled because of Covid. However, many activities continued virtually, including the provision of music lessons. The Foundation also made an ad hoc grant to help buy some staff laptops to ensure that all teachers could deliver high quality teaching while working at home. The other ad hoc grants awarded included funding towards the School's Basketball Academy, security fencing for the Maze Hill site and for the provision of 'PRIDE' passports to help reinforce the School's values for students to be Proud, Respectful, Involved, Determine and Excellent.

The following grants were made during the year:

Music lessons	76,498
Music admin	2,432
James Hatful Award	500
Necessitous Pupils	1,014
John Roan Exhibition	7,000
DebateMate	2,150
Minibus (running costs)	15,000
Music instruments	5,000
School Capital expenditure	14,493
Subject prizes	2,007
Ad Hoc Grants	375
Further committed Ad Hoc Grants	22,743
<b>Total</b>	<b>149,212</b>

### Financial review

The charity derives most of its income from rent receivable from investment properties and investment income. During the year there was a decrease in investment income from £621,060 in 2020 to £448,891 in 2021.

The principal areas of expenditure were:-

- Grants and donations to the John Roan School.
- Estate repairs - maintenance of the investment properties.
- Administration and Finance - operating expenses and fees.

# **The John Roan Foundation**

**Trustee's Annual Report** *(continued)*

**Year ended 31 August 2021**

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## **Financial review (Cont.)**

At the end of the reporting period the charity had cash resources of £323,602.

The Foundation had been providing, for a number of years, to replace the all-weather sports pitch at the Playing Fields which it had been estimated would cost around £100k. During the year urgent repairs were required on the pitch, due to wear and tear, which were becoming a health and safety issue. The Trustees agreed that it would not be cost effective to undertake the repairs and therefore agreed to replace the pitch. At the same time they agreed to replace the tennis courts. Due to the escalation of costs during the Covid pandemic, and the unknown state of the base of the old pitch, £150k was budgeted for the work which was scheduled to be undertaken during the school summer holidays, but the actual cost was expected to be lower. At the time of writing the report £101k has been paid out during the 2021-2022 financial year and some work still remains outstanding.

## **Grants**

The objectives of the charity are set out on pages 3 & 4. Grants to the school and individuals are considered by the Trustees on the basis of need and fulfilment of these charitable objectives. There is no upper limit of support. This is also the case for any grants to external organisations.

## **Investment Policy**

The investments held by the Trust have been acquired in accordance with the powers available to the Trustees as specified within the Trust Deed. The long-term objective in managing the portfolio is to maximise the overall rate of return insofar as this is consistent with maintaining a prudent and balanced investment exposure, whilst in the short term giving regard to the Trust's cash requirements from time to time.

## **Reserves Policy**

The balance sheet shows total reserves of £17,267,788. Of this £16,970,912 is represented by the value of assets (both properties and securities) of the Foundation. Under the Trust Deed any proceeds from capital disposals are required to be reinvested. Of the total funds, £296,876 represents a general reserve representing the surplus unrestricted accumulated income of the Foundation. Of this, £141,587 has been designated for future intentions and there are "free reserves" of £155,289.

The John Roan Foundation has a policy of maintaining unrestricted reserves within the range of a minimum of 3 months, to a maximum of 12 months of average expenditure. Where the reserves fall outside this range, then a strategy will be formulated by the Board to bring them back into line - currently reserves fall within this range.

## **Plans for future periods**

The Trustees aim to maximise the income of the Charity to enable them to continue to provide the level of assistance currently in place and where possible increase the assistance.

The Charity aims to refurbish their properties as the need arises in order to maintain a good level of accommodation and therefore ensure maximum rental income.

# The John Roan Foundation

Trustee's Annual Report *(continued)*

Year ended 31 August 2021

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## Trustee's responsibilities statement

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


The law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

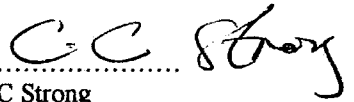
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice("SORP");
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustee's annual report was approved on 18/1/22 and signed on behalf of the board of Trustees by:

  
.....  
L Nelson  
Trustee

  
.....  
C Strong  
Trustee

# **The John Roan Foundation**

## **Independent Auditor's Report to the Members of The John Roan Foundation**

**Year ended 31 August 2021**

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### **Opinion**

We have audited the financial statements of The John Roan Foundation (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **The John Roan Foundation**

## **Independent Auditor's Report to the Members of The John Roan Foundation *(continued)***

**Year ended 31 August 2021**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

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

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

### **Responsibilities of the Trustee**

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

# The John Roan Foundation

## Independent Auditor's Report to the Members of The John Roan Foundation *(continued)*

Year ended 31 August 2021

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the key risk areas of material misstatement and then design and perform audit procedures in relation to those risks.

Materiality has been calculated based on the average of the income and gross assets and has been assessed at a level of £15,500

The key risk areas were considered to be the recognition of legacy income and the reconciliation of restricted funds. The appropriate audit approach was considered and applied to this area.

We performed analytical procedures to identify any unusual or unexpected ratios or variances that may indicate risks of material misstatement due to fraud.

We reviewed the financial statement disclosures and assessed compliance with the following relevant laws and regulations;

- Charities Act 2011.
- Data Protection Act 2018.

Irregularities which result from fraud are inherently more difficult to detect than irregularities which result from error, however there have never been any instances of fraud encountered with the company and there are controls in place through the segregation of duties and regular reviews of management accounts which reduce the risk of fraud through management override.

All audit team members were made aware of the relevant laws & regulations applicable to the company together with potential fraud risks and remained alert to any indications of fraud non compliance with the laws & regulations throughout the audit.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
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# The John Roan Foundation

## Independent Auditor's Report to the Members of The John Roan Foundation *(continued)*

Year ended 31 August 2021

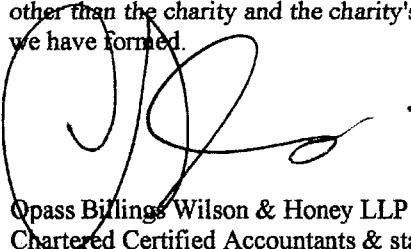
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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Opass Billings Wilson & Honey LLP  
Chartered Certified Accountants & statutory auditor  
Numeric House  
98 Station Road  
Sidcup  
Kent  
DA15 7BY

18 January 2022

# The John Roan Foundation

## Statement of Financial Activities

Year ended 31 August 2021

	Note	Year to 31 Aug 21			Period from
		Unrestricted funds £	Restricted funds £	Total funds £	1 Apr 19 to 31 Aug 20 Total funds £
<b>Income and endowments</b>					
Investment income	4	444,891	–	444,891	621,060
<b>Total income</b>		<u>444,891</u>	<u>–</u>	<u>444,891</u>	<u>621,060</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Investment management costs	5	138,008	996	139,004	221,538
Expenditure on charitable activities	6,7	221,331	–	221,331	495,825
<b>Total expenditure</b>		<u>359,339</u>	<u>996</u>	<u>360,335</u>	<u>717,363</u>
Net gains on investments	9	–	962,930	962,930	333,774
<b>Net income and net movement in funds</b>		<u>85,552</u>	<u>961,934</u>	<u>1,047,486</u>	<u>237,471</u>
<b>Reconciliation of funds</b>					
Total funds brought forward as previously reported		211,324	16,008,978	16,220,302	15,844,586
Prior year adjustment		–	–	–	138,245
Total funds brought forward as restated		<u>211,324</u>	<u>16,008,978</u>	<u>16,220,302</u>	<u>15,982,831</u>
<b>Total funds carried forward</b>		<u>296,876</u>	<u>16,970,912</u>	<u>17,267,788</u>	<u>16,220,302</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.


# The John Roan Foundation

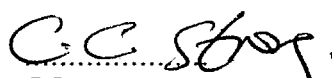
## Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	13	16,970,912	16,008,978
<b>Current assets</b>			
Debtors	14	2,017	12,243
Cash at bank and in hand		323,602	221,769
		<u>325,619</u>	<u>234,012</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>28,743</u>	<u>22,688</u>
<b>Net current assets</b>		<u>296,876</u>	<u>211,324</u>
<b>Total assets less current liabilities</b>		<u>17,267,788</u>	<u>16,220,302</u>
<b>Net assets</b>		<u>17,267,788</u>	<u>16,220,302</u>
<b>Funds of the charity</b>			
Restricted funds		16,970,912	16,008,978
Unrestricted funds		<u>296,876</u>	<u>211,324</u>
<b>Total charity funds</b>	16	<u>17,267,788</u>	<u>16,220,302</u>

These financial statements were approved by the board of Trustees and authorised for issue on 18/11/22, and are signed on behalf of the board by:

  
L Nelson  
Trustee

  
C Strong  
Trustee

The notes on pages 14 to 23 form part of these financial statements.

# The John Roan Foundation

## Notes to the Financial Statements

Year ended 31 August 2021

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### 1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The John Roan School, Maze Hill, London, SE3 7UD.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern:
- there is reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

#### Allocation of support and governance costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs relating to Board meetings.

Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

#### Cost of generating funds

The costs of generating funds consist of investment management and certain legal fees.

#### Charitable activities

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in the notes.

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# The John Roan Foundation

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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### **Charitable activities**

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in the notes.

### **Judgements and key sources of estimation uncertainty**

Estimates and Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Fund accounting**

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or Trust deed. There is a single restricted fund, the Capital Fund, which represents money held as permanent endowments whereby the income can be applied for general purposes but net proceeds arising from the sale of the funds arising must be reinvested within the fund.

Further details of each fund are disclosed in the notes.

### **Incoming resources**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when they have been communicated as received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

# The John Roan Foundation

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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### 3. Accounting policies *(continued)*

#### Resources expended

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

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to the note below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Foundation. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient reasonable expectation that they will receive the one year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Foundation.

#### Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire or use put options, derivatives or other complex financial instruments.

#### Investment property

Investment properties are included on the balance sheet at either their market value or at a Trustees valuation. Realised/unrealised gains are taken to the statement of financial activities in the year in which they arise.

#### Reserves

The regular, unrestricted income is sufficient to cover the day to day running of the charity.

The agreed reserve policy for 2021 was to have available a minimum of 3 months expenditure in unrestricted funds. Based on the risk profile of the Income end expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure or decreases in income.

Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives.

The reserve policy is regularly assessed by the Trustees for appropriateness.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

# The John Roan Foundation

## Notes to the Financial Statements (continued)

Year ended 31 August 2021

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### 3. Accounting policies (continued)

#### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In which case they are stated at cost (less impairment where appropriate).

#### Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at transaction value. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases creditors are stated at the transaction value.

#### Funds

The general fund comprises those monies, which may be used to meet charitable objectives at the discretion of the Trustees. Designated funds are monies set aside out of general fund and designated for specific purposes by the Trustees. Capital funds represents money held as permanent endowments whereby the income can be applied for general purposes but net proceeds arising from the sale of the funds arising must be reinvested within the fund.

### 4. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	443,371	443,371	620,842	620,842
Income from listed investments	146	146	218	218
Building society interest receivable	1,374	1,374	—	—
	<u>444,891</u>	<u>444,891</u>	<u>621,060</u>	<u>621,060</u>

# The John Roan Foundation

## Notes to the Financial Statements (continued)

Year ended 31 August 2021

### 5. Investment management costs

2021 Costs	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Portfolio management	–	996	996
Property management fees	42,107	–	42,107
Estate maintenance costs	91,497	–	91,497
Insurance costs	284	–	284
Finance officer and clerks costs	4,120	–	4,120
	<u>138,008</u>	<u>996</u>	<u>139,004</u>

2020 Costs	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Portfolio management	1,374	–	1,374
Property management fees	61,037	–	61,037
Estate maintenance costs	145,566	–	145,566
Insurance costs	9,728	–	9,728
Finance officer and clerks costs	3,833	–	3,833
	<u>221,538</u>	<u>–</u>	<u>221,538</u>

### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Playing field expenditure	60,765	60,765	225,473	225,473
Grants to school	149,212	149,212	229,608	229,608
Legal fees	923	923	22,640	22,640
Support costs	10,431	10,431	18,104	18,104
	<u>221,331</u>	<u>221,331</u>	<u>495,825</u>	<u>495,825</u>

### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Playing field expenditure	60,765	–	60,765	225,473
Grants to school	149,212	–	149,212	229,608
Legal fees	923	–	923	22,640
Finance officer and clerks cost	–	4,120	4,120	3,833
General expenses	–	281	281	635
Governance costs	–	6,030	6,030	13,636
	<u>210,900</u>	<u>10,431</u>	<u>221,331</u>	<u>495,825</u>

# The John Roan Foundation

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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### 8. Analysis of governance costs

	Audit £	Legal and professional fees £	Total 2021 £	Total 2020 £
Governance costs	<u>6,000</u>	<u>30</u>	<u>6,030</u>	<u>13,636</u>

### 9. Net gains on investments

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Unrealised Gains/(losses) on investment property	870,174	870,174	301,549	301,549
Unrealised Gains/(losses) on listed investments	93,051	93,051	32,203	32,203
Realised Gains/(losses) on listed investment	<u>(295)</u>	<u>(295)</u>	<u>22</u>	<u>22</u>
	<u>962,930</u>	<u>962,930</u>	<u>333,774</u>	<u>333,774</u>

### 10. Auditors remuneration

	Year to 31 Aug 21 £	Period from 1 Apr 19 to 31 Aug 20 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,600</u>

### 11. Staff costs

The average head count of employees during the year was Nil (2020: Nil)

### 12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the Trustees

# The John Roan Foundation

## Notes to the Financial Statements (continued)

Year ended 31 August 2021

### 13. Investments

	Cash or cash equivalents £	Listed investments £	Investment properties £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	912	469,249	15,538,817	16,008,978
Additions	573	190,344	–	190,917
Disposals	(996)	(191,212)	–	(192,208)
Fair value movements	–	93,051	870,174	963,225
<b>At 31 August 2021</b>	<u>489</u>	<u>561,432</u>	<u>16,408,991</u>	<u>16,970,912</u>
<b>Impairment</b>				
At 1 September 2020 and 31 August 2021				–
<b>Carrying amount</b>				
At 31 August 2021	<u>489</u>	<u>561,432</u>	<u>16,408,991</u>	<u>16,970,912</u>
At 31 August 2020	<u>912</u>	<u>469,249</u>	<u>15,538,817</u>	<u>16,008,978</u>

All investments shown above are held at valuation.

#### Investment properties

The freehold land and buildings were valued by Winkworth Estate UK Letting Agents in April 2018 at Investment value subject to existing tenancies amounting to £15,310,000. The Trustees have updated the valuation based on their best estimate of the market value at 31 August 2021. The value includes the estate properties, but does not include the Roan School premises and playing fields at Maze Hill, London SE10. The cost of the properties was £1,026,250.

#### Financial assets held at fair value

The cost of listed investments was £207,148

Investments are all listed in the United Kingdom (except where stated) and are dealt with on a recognised stock exchange.

### 14. Debtors

	2021 £	2020 £
Peter James Property Retained Funds	<u>2,017</u>	<u>12,243</u>

### 15. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>28,743</u>	<u>22,688</u>

# The John Roan Foundation

Notes to the Financial Statements (continued)

Year ended 31 August 2021

## 16. Analysis of charitable funds

### Unrestricted funds

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Prior year adjustments £	At 31 August 2021 £
General funds	69,737	444,891	(359,339)	-	-	-	155,289
Changing room refurbishment	61,587	-	-	-	-	-	61,587
Replacement fund for all-weather pitch	80,000	-	-	-	-	-	80,000
	<u>211,324</u>	<u>444,891</u>	<u>(359,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,876</u>

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Prior year adjustments £	At 31 August 2020 £
General funds	864,008	621,060	(717,363)	(697,968)	-	-	69,737
Changing room refurbishment	61,587	-	-	-	-	-	61,587
Replacement fund for all-weather pitch	80,000	-	-	-	-	-	80,000
	<u>1,005,595</u>	<u>621,060</u>	<u>(717,363)</u>	<u>(697,968)</u>	<u>-</u>	<u>-</u>	<u>211,324</u>

# The John Roan Foundation

Notes to the Financial Statements (continued)

Year ended 31 August 2021

## 16. Analysis of charitable funds (continued)

### General fund

This fund represents the surplus unrestricted accumulated income of the Foundation.

### Changing room refurbishment

The Trustees are aware that the changing rooms at the playing fields require major refurbishment and intend to invest in the area.

### Replacement fund for all-weather pitch

The Trustees are aware that the all-weather pitch will need replacing and intend to invest in the area.

### Restricted funds

	At 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Prior year adjustments £	At 31 August 2021 £
Capital fund	16,008,978	—	(996)	—	962,930	—	16,970,912
Capital fund	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Prior year adjustments £	At 31 August 2020 £
Capital fund	14,838,991	—	—	697,968	333,774	138,245	16,008,978

This fund represents the value of investments (both properties and securities) of the Foundation. Clear sale proceeds of investments are required to be reinvested under the Charity Commission Scheme dated 19 June 1998.

# The John Roan Foundation

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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### 17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Investments	–	16,970,912	16,970,912
Current assets	296,876	–	296,876
<b>Net assets</b>	<u>296,876</u>	<u>16,970,912</u>	<u>17,267,788</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Investments	–	16,008,978	16,008,978
Current assets	211,324	–	211,324
<b>Net assets</b>	<u>211,324</u>	<u>16,008,978</u>	<u>16,220,302</u>

