

THE JOHN ROAN FOUNDATION
FINANCIAL STATEMENTS
31 AUGUST 2023

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 2023

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THE JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT

YEAR ENDED 31 AUGUST 2023

The trustee presents his report and the financial statements of the charity for the year ended 31 August 2023.

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 (resigned May 2023)

Mr M Roberts

Cllr M Rahman

Mr A Barker (resigned February 2023)

Mr J Farrell (appointed March 2023)

Dr Gordon Ade-Ojo (appointed January 2023)

Co-opted

Ms L Nelson (Chair)

Mr V Lawrence

Mr M Moore

Mr C Strong

Ms J Farmer

Ms M Lolavar (appointed June 2023)

Mr J Armson (appointed November 2023)

Ex-officio

Ms C Smith

Clerk to Trustees Ms L Clayton

THE JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2023

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 Co-operative Bank Plc
P.O. Box 250
Delf House
Southway
Skemersdale
WN8 6WT

THE JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2023

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 JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2023

Structure, governance and management *(continued)*

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.

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 did not have a significant financial impact on the Charity and rental income from the investment property portfolio was not significantly impacted by tenants not able to pay their rent. Trustees were able to resume meetings face to face.

THE JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2023

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 accounts 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 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 2023

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 sponsor a basketball academy in the Sixth Form, participation in DebateMate, to help pay towards minibus running expenses and to help necessitous students participate fully in school life. This year the Trustees introduced a Cultural Enrichment fund to enable all students to participate in one cultural trip in the year.

During the year the Trustees agreed a number of ad-hoc grants to the school totalling £21,389. This included funding in full or towards the Jack Petchey Speak Out Challenge, a Charlton Athletic Enrichment Programme, table tennis equipment, football boots and shin pads, rock climbing, kayaking, a Make Some Noise project, a school magazine, a school prom, character education days, a sixth form induction day and a post-16 team building day. Some of the grants awarded will be paid in the next financial year. An application procedure has been established in the school and all staff are encouraged to make applications 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 following grants were made during the year:

	<u>£</u>
James Hatful	500
John Roan Exhibition	6,000
Travel to Braithwaite	10,000
Basketball Academy	12,000
Cultural Enrichment	4,716
DebateMate	2,150
LIYSF	2,295
Minibus (running costs)	15,000
Music instrument Repairs	5,000
Music lessons	78,000
Hardship Fund	9,255
Subject prizes	2,000
Founder's Day	2,366
Maze Hill Gardens	4,200
Maze Hill Clocktower	4,585
Ad Hoc Grants	21,389
Previously committed grants cancelled	<u>(9,628)</u>
Total	<u>169,828</u>

The Foundation also owns the School Playing Fields and is responsible for its upkeep. The final payment of £17,652 was paid out for the replacement of the all-weather pitches and tennis courts and equipment for maintaining the pitches was also purchased for £12,700. The pitches are now more lettable and income from lettings has therefore increased.

THE JOHN ROAN FOUNDATION

TRUSTEE'S ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2023

Financial review

The charity derives most of its income from rent receivable from investment properties and investment income. During the year there was an increase in investment income from £443,812 in 2022 to £475,471 in 2023.

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.

At the end of the reporting period the charity had cash resources of £250,190.

Grants

The objectives of the charity are set out on page 5. 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 £19,095,027. Of this £18,844,404 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, £250,623 represents a general reserve representing the surplus unrestricted accumulated income of the Foundation. Of this, £61,587 has been designated for future intentions and there are "free reserves" of £189,036.

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 2023

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 and signed on behalf of the board of trustees by:

.....
L Nelson
Co-opted Trustee

.....
C Strong
Co-opted Trustee

THE JOHN ROAN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOHN ROAN FOUNDATION

YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of The John Roan Foundation (the 'charity') for the year ended 31 August 2023 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 2023 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 2023

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 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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 £9,000

The key risk areas were considered to be valuation of fixed assets and investments. The appropriate audit approach was considered and applied to these areas.

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.

THE JOHN ROAN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOHN ROAN FOUNDATION (continued)

YEAR ENDED 31 AUGUST 2023

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

Opass Billings Wilson & Honey LLP is eligible for appointment as auditor of the charity by the virtue of its eligibility for appointment as auditor under section 1212 of the Companies Act 2006.

THE JOHN ROAN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2023

		2023	2022		
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Investment income	4	475,471	–	475,471	443,812
Total income		<u>475,471</u>	<u>–</u>	<u>475,471</u>	<u>443,812</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	5	222,382	1,032	223,414	173,855
Expenditure on charitable activities	6,7	198,209	–	198,209	372,164
Total expenditure		<u>420,591</u>	<u>1,032</u>	<u>421,623</u>	<u>546,019</u>
Net (losses)/gains on investments	8	–	(21,252)	(21,252)	1,896,850
Net income and net movement in funds		<u>54,880</u>	<u>(22,284)</u>	<u>32,596</u>	<u>1,794,643</u>
Reconciliation of funds					
Total funds brought forward		195,743	18,866,688	19,062,431	17,267,788
Total funds carried forward		<u>250,623</u>	<u>18,844,404</u>	<u>19,095,027</u>	<u>19,062,431</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 15 to 23 form part of these financial statements.

THE JOHN ROAN FOUNDATION

STATEMENT OF FINANCIAL POSITION

31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	11	18,844,404	18,866,688
Current assets			
Debtors	12	111,333	–
Cash at bank and in hand		250,190	266,010
		<u>361,523</u>	<u>266,010</u>
Creditors: amounts falling due within one year	13	<u>110,900</u>	<u>70,267</u>
Net current assets		<u>250,623</u>	<u>195,743</u>
Total assets less current liabilities		<u>19,095,027</u>	<u>19,062,431</u>
Net assets		<u>19,095,027</u>	<u>19,062,431</u>
Funds of the charity			
Restricted funds		18,844,404	18,866,688
Unrestricted funds		250,623	195,743
Total charity funds	14	<u>19,095,027</u>	<u>19,062,431</u>

These financial statements were approved by the board of trustees and authorised for issue on,
and are signed on behalf of the board by:

.....
L Nelson
Co-opted Trustee

.....
C Strong
Co-opted Trustee

The notes on pages 15 to 23 form part of these financial statements.

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

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.

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

3. Accounting policies *(continued)*

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.

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 data. 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.

Rental income is recognised on a straight-line basis as per the terms of rental agreements.

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 2023

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 2023

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 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from investment properties	472,415	472,415	442,843	442,843
Income from listed investments	119	119	156	156
Building society interest receivable	2,937	2,937	813	813
	<u>475,471</u>	<u>475,471</u>	<u>443,812</u>	<u>443,812</u>

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

5. Investment management costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Portfolio management	–	1,032	1,032
Property management fees	46,430	–	46,430
Estate maintenance costs	162,410	–	162,410
Finance officer and clerks costs	4,542	–	4,542
Architect fees	9,000	–	9,000
	<u>222,382</u>	<u>1,032</u>	<u>223,414</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Portfolio management	–	1,074	<i>1,074</i>
Property management fees	43,387	–	<i>43,387</i>
Estate maintenance costs	125,068	–	<i>125,068</i>
Finance officer and clerks costs	4,326	–	<i>4,326</i>
Architect fees	–	–	–
	<u>172,781</u>	<u>1,074</u>	<u><i>173,855</i></u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Playing field expenditure	16,179	16,179	167,473	<i>167,473</i>
Grants to school	169,828	169,828	189,004	<i>189,004</i>
Legal fees	–	–	6,222	<i>6,222</i>
Support costs	12,202	12,202	9,465	<i>9,465</i>
	<u>198,209</u>	<u>198,209</u>	<u>372,164</u>	<u><i>372,164</i></u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Playing field expenditure	16,179	–	16,179	<i>167,473</i>
Grants to school	169,828	–	169,828	<i>189,004</i>
Legal fees	–	300	300	<i>4,842</i>
Finance officer and clerks cost	–	4,543	4,543	<i>4,326</i>
General expenses	–	604	604	<i>148</i>
Insurance costs	–	405	405	<i>371</i>
Audit fee	–	5,000	5,000	<i>4,750</i>
Accountancy	–	1,350	1,350	<i>1,250</i>
	<u>186,007</u>	<u>12,202</u>	<u>198,209</u>	<u><i>372,164</i></u>

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

8. Net (losses)/gains on investments

	Restricted Funds £	Total Funds 2023 £	Restricted Funds £	Total Funds 2022 £
Unrealised Gains/(losses) on investment property	(27,595)	(27,595)	1,915,221	1,915,221
Unrealised Gains/(losses) on listed investments	6,064	6,064	(18,957)	(18,957)
Realised Gains/(losses) on listed investment	279	279	586	586
	<u>(21,252)</u>	<u>(21,252)</u>	<u>1,896,850</u>	<u>1,896,850</u>

9. Staff costs

The average head count of employees during the year was Nil (2022: Nil)

10. Trustee remuneration and expenses

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

11. Investments

	Cash or cash equivalents £	Listed investments £	Investment properties £	Total £
Cost or valuation				
At 1 September 2022	556	541,920	18,324,212	18,866,688
Additions	914	–	–	914
Disposals	(1,032)	(635)	–	(1,667)
Fair value movements	–	6,064	(27,595)	(21,531)
At 31 August 2023	<u>438</u>	<u>547,349</u>	<u>18,296,617</u>	<u>18,844,404</u>
Impairment				
At 1 September 2022 and 31 August 2023				<u>–</u>
Carrying amount				
At 31 August 2023	<u>438</u>	<u>547,349</u>	<u>18,296,617</u>	<u>18,844,404</u>
At 31 August 2022	<u>556</u>	<u>541,920</u>	<u>18,324,212</u>	<u>18,866,688</u>

All investments shown above are held at valuation.

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

11. Investments *(continued)*

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 2023. The value includes the estate properties, but does not include the Roan School premises and playing fields at Maze Hill, London SE10. The historical 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 traded on a recognised stock exchange.

12. Debtors

	2023	2022
	£	£
Trade debtors	110,733	–
Prepayments and accrued income	600	–
	<u>111,333</u>	<u>–</u>

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	76,382	–
Accruals and deferred income	34,518	70,267
	<u>110,900</u>	<u>70,267</u>

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

14. Analysis of charitable funds

Unrestricted funds

	At 1 Sep 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Aug 2023 £
General funds	134,156	475,471	(420,591)	–	–	189,036
Changing room refurbishment	61,587	–	–	–	–	61,587
Replacement fund for all-weather pitch	–	–	–	–	–	–
	<u>195,743</u>	<u>475,471</u>	<u>(420,591)</u>	<u>–</u>	<u>–</u>	<u>250,623</u>

	At 1 Sep 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Aug 2022 £
General funds	155,289	443,812	(399,552)	(65,393)	–	134,156
Changing room refurbishment	61,587	–	–	–	–	61,587
Replacement fund for all-weather pitch	80,000	–	(145,393)	65,393	–	–
	<u>296,876</u>	<u>443,812</u>	<u>(544,945)</u>	<u>–</u>	<u>–</u>	<u>195,743</u>

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.

THE JOHN ROAN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2023

14. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Sep 2022	Income	Expenditure	Transfers	Gains and losses	At 31 Aug 2023
	£	£	£	£	£	£
Capital fund	<u>18,866,688</u>	<u>–</u>	<u>(1,032)</u>	<u>–</u>	<u>(21,252)</u>	<u>18,844,404</u>

	At 1 Sep 2021	Income	Expenditure	Transfers	Gains and losses	At 31 Aug 2022
	£	£	£	£	£	£
Capital fund	<u>16,970,912</u>	<u>–</u>	<u>(1,074)</u>	<u>–</u>	<u>1,896,850</u>	<u>18,866,688</u>

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

15. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Investments	–	18,844,404	18,844,404
Current assets	361,523	–	361,523
Creditors less than 1 year	(110,900)	–	(110,900)
Net assets	<u>250,623</u>	<u>18,844,404</u>	<u>19,095,027</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Investments	–	18,866,688	<i>18,866,688</i>
Current assets	266,010	–	<i>266,010</i>
Creditors less than 1 year	(70,267)	–	<i>(70,267)</i>
Net assets	<u>195,743</u>	<u>18,866,688</u>	<u><i>19,062,431</i></u>

16. Related parties

There were no transactions with related parties during the reporting period.