

Charity Registration No. 326840
Company Registration No. 01892360 (England and Wales)

THE GOSLING FOUNDATION LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



THE GOSLING FOUNDATION LIMITED

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THE GOSLING FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Status	Registered in England and Wales
Charity Number	326840
Registered Office	21 Bryanston Street Marble Arch London W1H 7PR
Company Number	01892360
Trustees and directors	Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom Hon Capt Adam Gosling RNR Sir Ronald Hobson KCVO (passed away in office on 22 April 2017)
Secretary	Anne Yusof
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Auditors	Lewis Golden LLP Chartered Accountants and Statutory Auditors 40 Queen Anne Street London W1G 9EL
Investment advisors	J. M. Finn & Co. Ltd 4 Coleman Street London EC2R 5TA

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors are pleased to present their report together with the audited financial statements of the charitable company ("the charity") for the year ended 31 March 2017, which also represents the trustees' report which is required to be prepared by Part 8 of the Charities Act 2011.

The directors of the charity are its trustees for the purpose of charity law, as set out on page 1, and throughout the financial statements the directors are collectively referred to as the trustees.

The financial statements have been prepared in accordance with accounting policies set out on pages 11 to 14 and with applicable United Kingdom accounting standards, current statutory requirements, the Charities Act 2011, the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Charity's governing document. Legal and administrative information set out on page 1 forms part of this report.

Objectives and activities for the public benefit

The charity was incorporated on 5 March 1985 and the objectives, for which the charity was established, as dictated by the Memorandum of Association, are to carry out all or any of the following purposes, namely:

- the relief of poverty, suffering and distress among the aged, impotent or poor inhabitants of the United Kingdom and the provision of facilities for recreation and other leisure time occupation for them generally in the interests of their social welfare within the meaning of the, now repealed, Recreational Charities Act 1958 and as therein limited;
- the advancement of education amongst the inhabitants of the United Kingdom generally;
- the furtherance of such other charitable purposes beneficial to such of the communities of the United Kingdom as the company may think fit; and
- to make grants to such associations, trusts, societies or corporations as are established for charitable purposes.

The trustees regularly review the grant making policies of the charity which currently are:

- the trustees will consider applications for grants which are in accordance with the stated objects of the charity;
- there are no minimum or maximum limits for any grants;
- all grants will be approved unanimously by the trustees; and
- the charity will continue to make grants to individuals only in exceptional circumstances.

The charity carries out its objectives by making grants to a wide range of charitable causes as quantified in note 4 to the financial statements. The charity aims to distribute grants to those charitable organisations that the board of trustees decide are in line with the objectives of the charity. By providing such financial support the charity seeks to enable other charitable organisations to achieve their objectives.

The trustees confirm that in accordance with Section 17 of the Charities Act 2011, they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning their future grant making activities.

During the year ended 31 March 2017, the trustees aimed to distribute approximately £2,000,000 (2016: £2,000,000) in grants to a similar number of beneficiaries as in the prior year. In order to achieve this, the trustees reviewed applications from various organisations and awarded grants as they collectively considered appropriate.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

The trustees paid and committed grants for the year totalling £5,070,400 (2016: £6,651,890). Of this amount £3,218,400 (2016: £3,942,890) has been paid during the year and commitments of £1,852,000 (2016: £2,709,000) were made for payment in future years. Grant making expenditure totalled £4,850,541 (2016 - £6,651,890) for the year, after allowing for a decrease in commitments made in prior years of £219,859 (2016 - £nil). The charitable purposes and details of the various institutions that benefited are detailed in note 4 to the financial statements.

The following table puts the charity's grants for the year into broad categories and shows the prior year for comparison. Full details of the grant recipients are set out in note 4 to the financial statements.

Category	2017 Amount £	2017 Number of grants	2016 Amount £	2016 Number of grants
Relief of poverty	1,418,000	25	399,000	14
Advancement of religion	10,500	2	46,300	3
Advancement of education	804,000	33	1,937,500	26
Other purposes beneficial to the community	2,837,900	110	4,269,090	106
Total	5,070,400	170	6,651,890	149

During the year 170 grants (2016: 149) were made in furtherance of the charity's objectives to 134 beneficiaries (2016: 115).

The value of the charity's investment properties has decreased by £2,297,200, which has been shown as an unrealised loss. At 31 March 2017 investment properties were valued at £82,029,063 (2016: £84,297,808, as restated).

At the year end the value of the listed investment portfolio was £21,559,882 (2016: £18,684,221). In accordance with their accounting policy, the trustees have recognised listed investments in the financial statements at fair value.

Overall investment income increased by £149,847 (2016: increased by £788,444, as restated). The charity received total rental income from its portfolio of investment properties of £4,563,201 (2016: £4,402,689, as restated), income from listed investments of £781,098 (2016: £775,054) and interest of £42,063 (2016: £58,772) relating mostly to cash held on deposit and short term treasury deposits.

Donations of £nil (2016: £375) were received during the year.

Costs of raising funds, comprising property management expenses, totalled £40,388 (2016: £29,980) detailed in note 3 to the financial statements. Governance costs are included in charitable activities and amounted to £106,578 (2016: £71,199).

Financial review

The trustees have concluded that all of the charity's current funds should be undesignated. The trustees anticipate that the current funds will be sufficient to meet its current and foreseeable obligations.

The trustees meet regularly to ensure that sufficient funds are held by the charity and to review the progress made by the recipients of previous donations and grants. At these meetings, the trustees also consider whether the investment of the charity's funds is appropriate and generates a satisfactory return. The trustees consider written applications which are consistent with the charity's objects as stated as above.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Financial review (continued)

The trustees' long-term aim is to maintain total funds of the charity in the region of £120 million which will generate investment income to fund future grant making at a level of approximately £5m per annum in perpetuity. In order to reach this target, and in order to comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the charity's financial statements show an Unrestricted Income Fund surplus. The charity is making progress towards this aim having total investment income for the year of £5,386,362 (2016: £5,236,515, as restated). The trustees consider the risks associated with the assets in which funds are held and aim to maintain an appropriate mix of assets in order to realise the long-term aim. The charity had a net surplus for the year of £756,255 (2016: £8,354,254, as restated) after net gains / (losses).

Under the Memorandum and Articles of Association, the charity has the power to invest any monies of the charity upon such investments and in such manner as may from time to time be expedient. To see how expenditure meets objectives, please see achievements and performance.

Plans for future periods

The trustees aim to continue to accept, in writing to the registered office, grant applications which are consistent with the charity's objectives and to review the level of grants it considers appropriate to make.

The trustees intend to distribute a minimum of £4,000,000 during the year ending 31 March 2018 and to review the progress made by the recipients of previous donations and grants as to how the charity's grants have been applied or regarding projects that the charity's funding has made possible.

The trustees are confident that sufficient income will be received to enable the charity to meet its objectives.

Structure, governance and management

The Gosling Foundation Limited is a company limited by shares and a registered charity governed by its Memorandum and Articles of Association dated 5 March 1985.

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee. Subject to Article 31 a trustee may be appointed under the Memorandum and Articles of Association to hold office for life or any other period or upon such terms in respect of their retirement as the trustees shall at the time of their appointment determine. Any person may be appointed or elected as a trustee, whatever may be their age, and no trustee shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

The trustees have considered the recruitment, appointment and training of new trustees. They agreed that any new trustee would have to be reputable, professional and be selected based on their suitability for the role. Training in financial accounting should be a requirement, although this would be dependent on the experience and knowledge of the trustee. Training in the role and responsibilities of a charity trustee would be mainly in the form of publications available from the Charity Commission. Any queries would be addressed to relevant professional advisors as required. As part of the induction process, new trustees are familiarised with the charity's governing document. Ms A Yusof is responsible for obtaining relevant training materials.

The number of members of the charity is limited to 50. During the year there were three trustees. During the year the trustees met quarterly to administer the charity.

Principal risks and uncertainties

The major risks, to which the charity is exposed, as identified by the trustees, have been reviewed and a system has been established to mitigate those risks. The principal risk and uncertainty for the charity relates to income generation in order to be able to award grants and cover other costs. The charity holds a mixed portfolio of investments and the trustees have established a system to review major risks and to mitigate those risks by regularly reviewing the portfolio. The exposure of the charity to price risk, credit risk, liquidity risk and cash flow risk from holding its investments is therefore considered limited.

THE GOSLING FOUNDATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Statement of trustees' responsibilities

The trustees (who are also directors of The Gosling Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 charitable company will continue to operate.

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

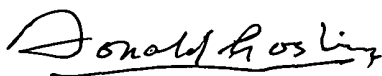
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The trustees authorise the Directors' Report.

By order of the trustees



Hon Vice Admiral Sir Donald Gosling KCVO
RNR, Vice-Admiral of the United Kingdom
Trustee

Date: 20 December 2017

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED

We have audited the financial statements of The Gosling Foundation Limited for the year ended 31 March 2017 which comprise the statement of financial activities (including an income and expenditure account), the balance sheet, the statement of cash flows and related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

THE GOSLING FOUNDATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOSLING FOUNDATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In 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 Directors' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Andrew Moss FCA (Senior Statutory Auditor)
For and on behalf of Lewis Golden LLP
Chartered Accountants and Statutory Auditors
40 Queen Anne Street
London W1G 9EL

Date:

20 December 2017

THE GOSLING FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Income Fund 2017 £	Expendable Endowment Fund 2017 £	Total Funds 2017 £	Total Funds 2016 As restated £
Income and endowments from:					
Donations and legacies		-	-	-	375
Investments	2	5,386,362	-	5,386,362	5,236,515
Total incoming resources		5,386,362	-	5,386,362	5,236,890
Expenditure on:					
Raising funds					
Property management costs	3	(40,388)	-	(40,338)	(29,980)
Charitable objectives					
Grant making	4	(4,850,541)	-	(4,850,541)	(6,651,890)
Governance costs	6	(106,578)	-	(106,578)	(71,199)
Total resources expended		(4,997,507)	-	(4,997,507)	(6,753,069)
Net (losses) / gains on investments					
Unrealised (losses) / gains on revaluation of investment properties	9	-	(2,297,200)	(2,297,200)	9,881,768
Gains / (losses) on listed investments	11	-	2,519,617	2,519,617	(75,352)
Unrealised gains on foreign exchange on treasury cash deposits		-	144,983	144,983	64,017
Total net gains on investments		-	367,400	367,400	9,870,433
Net movement in funds		388,855	367,400	756,255	8,354,254
Reconciliation of funds:					
Total funds brought forward	16	20,596,742	88,449,192	109,045,934	100,691,681
Total funds carried forward	16	20,985,597	88,816,592	109,802,189	109,045,935

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended are derived from continuing activities.

THE GOSLING FOUNDATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2017

	Notes	£	2017 £	2016 as restated £
Fixed assets				
Investments				
Investment properties	9	82,029,063		84,297,808
Listed investments	11	21,559,882		18,684,221
Treasury cash deposits		1,208,699		1,259,586
			104,797,644	104,241,615
Current assets				
Debtors	12	496,453		323,365
Cash at bank and in hand		8,896,429		8,780,263
		9,392,882		9,103,628
Creditors: amounts falling due within one year	13	(2,822,337)		(2,159,308)
Net current assets			6,570,545	6,944,320
Total assets less current liabilities			111,368,189	111,185,935
Creditors: amounts falling due after more than one year	14		(1,566,000)	(2,140,000)
Net assets			109,802,189	109,045,935
Represented by:-				
Called up share capital	15	3		3
Unrestricted Income Fund	16	20,985,594		20,596,740
			20,985,597	20,596,743
Unrealised Investment Gains	16	37,068,123		36,932,984
Expendable Endowment Fund	16	51,748,469		51,516,208
Total expendable Endowments Funds			88,816,592	88,449,192
Total funds	17		109,802,189	109,045,935

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the board of trustees on 20 December 2017

Donald Gosling

Hon Vice Admiral Sir Donald Gosling KCVO
RNR, Vice-Admiral of the United Kingdom
Trustee

(Company Registration No. 01892360)
(Charity Registration No. 326840)

THE GOSLING FOUNDATION LIMITED

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2017

	2017 £	2016 As restated £
Cash flows from operating activities		
Net movement in funds	756,255	8,354,254
Adjustments for:		
Unrealised losses / (gains) on investment properties	2,297,200	(9,881,768)
(Deduct) / add (gains) / losses on listed investments	(2,519,617)	75,352
Deduct unrealised gains on foreign exchange on treasury cash deposits	(144,983)	(64,017)
Deduct interest income shown in investing activities below	(42,063)	(58,772)
Deduct dividend income shown in investing activities below	(781,098)	(775,054)
Deduct other investment income shown in investing activities below	(4,396,360)	(3,953,518)
(Increase) / decrease in debtors	(173,088)	(133,686)
Increase in creditors	89,029	2,150,455
Cash used in operating activities	(4,914,725)	(4,286,754)
Cash flows from investing activities		
Interest income	42,063	58,772
Dividend income	781,098	775,054
Other investment income	4,396,360	3,953,518
Asset under construction additions at cost (subsequently transferred to Investment Property during the year ended 31 March 2017)	-	(2,186,263)
Purchase of investment property	(28,455)	-
Purchase of listed investments	(1,156,174)	(376,070)
Disposal proceeds of listed investments	800,130	30,128
Decrease / (increase) in treasury cash deposits	195,869	(187,994)
Cash provided by / (used in) investing activities	5,030,891	2,067,145
Decrease in cash and cash equivalents in the year	116,166	(2,219,609)
Cash and cash equivalents at the beginning of the year	8,780,263	10,999,872
Total cash and cash equivalents at the end of the year	8,896,429	8,780,263

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The charity is a public benefit entity.

The financial statements are prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1.2 Income

Income is recognised when the charity has entitlement to the funds, on the following basis:

(i) Donations and legacies

Donations, legacies and grants are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(ii) Investment properties

Income from investment properties comprises income derived from the leasing of commercial properties to tenants. The properties are leased to tenants under operating lease agreements and rentals are recognised in the statement of financial activities (including an income and expenditure account) on a straight line basis over the lease term.

Where rental income is structured to increase in line with expected general inflation, the rental agreements are amended on an annual basis and income is subsequently recognised in the statement of financial activities (including an income and expenditure account).

The company has taken advantage of the optional exemption available on transition to FRS 102, which allows lease incentives on leases entered into before the date of transition to the standard on 1 April 2014, to continue to be charged over the period to the first market rent review, rather than the term of the lease.

Previously, rental income was recognised when receivable, with rental income deferred if received before the year end where it related to the following period. The Trustees, having reviewed the guidance and requirements of Charities SORP (FRS 102) have revised the investment income recognition policy to recognise rental income on a straight line basis over the lease term, where leases were entered into after the FRS 102 transition date on 1 April 2014. This has been dealt with as a prior year adjustment. The prior year adjustment increases investment property income in the year ended 31 March 2016 by £449,171, resulting in an increase in the unrestricted income fund of the same amount, as at 31 March 2016. This also resulted in a decrease in deferred income of £173,934 and an increase in accrued income of £275,237, as at 31 March 2016.

(iii) Listed investments

Dividends and commission are recognised when receivable and represent income received from listed securities.

(iv) Interest receivable

Interest is recognised when receivable by the charity and represents treasury, bank and investment interest.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

(i) *Raising funds*

This comprises property management costs which are recognised on an accruals basis. Any irrecoverable VAT is added to the related expense.

(ii) *Grant making*

Grants are accounted for in full in the period the grants are approved and the decision is notified to the recipient irrespective of the period covered by the grant. Grants awarded but not yet paid are recorded as grant commitments in the balance sheet. Any conditional grants are not provided for until the trustees are satisfied that the conditions or grant terms have been met. Grant commitment creditors are split between creditors amounts falling due within one year and creditors amounts falling due after one year according to when the grants will be paid (see note 5).

(iii) *Governance costs*

Governance costs include external audit and accountancy fees and are recognised on an accruals basis. Irrecoverable VAT is included in the cost of those items to which it relates.

1.4 Investment Properties

Investment properties are initially recognised at cost, which includes the original purchase price and the costs directly attributable to bringing the asset into its working condition for its intended use.

Investment properties are subsequently included on the balance sheet at their fair value which is determined annually. No depreciation is provided. Changes in fair value are recognised on the face of the statement of financial activities (including an income and expenditure account).

The Trustees, having reviewed the guidance and requirements of the Charities SORP (FRS 102), have revised their estimation of the fair value of the investment properties as at 31 March 2016, based on the professional valuation carried out on that date, by removing the estimated acquisition costs a potential buyer would incur when purchasing the investment properties, from the estimation of fair value. The fair value is now estimated to be the transaction price that would be agreed by the charity with a potential buyer in an arm's length exchange, on 31 March 2016.

The change in fair value has been dealt with as a prior year adjustment. The prior year adjustment reduces the fair value and net gains on investments of investment properties by £2,235,549 as at 31 March 2016, resulting in a reduction in the total Expendable Endowment Funds and total funds of the same amount.

1.5 Listed Investments

Listed investments are stated in the financial statements at fair value. Realised gains and losses on the sale of investments are calculated as the difference between the sale proceeds and the original cost. Unrealised gains and losses represent the movement between fair values. Realised and unrealised gains and losses are included on the face of the statement of financial activities (including an income and expenditure account). Listed investments are held primarily to provide an investment return for the charity.

1.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 3 months.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

1 Accounting policies (continued)

1.7 Funds

The charity maintains an Unrestricted Income Fund and an Expendable Endowment Fund.

Income generated by the Expendable Endowment Fund is recognised as part of the Unrestricted Income Fund. Unrealised revaluation gains on investment properties and listed investments are taken to Unrealised Investment Gains, which for the purpose of charity fund accounting is part of the Expendable Endowment Fund. Revaluation losses are also taken to Unrealised Investment Gains to the extent that there is an Unrealised Investment Gains surplus in respect of the relevant asset.

The Expendable Endowment Fund was established from donations received for that purpose. This fund arises from the proceeds of a special dividend and the sale of the charity's previous holding in National Parking Corporation Limited. The primary intention in establishing an Expendable Endowment Fund is for funds to be invested so as to generate future income for the purpose of the charity. The trustees shall also be permitted to convert any or the entire Expendable Endowment Fund to the Unrestricted Income Fund, however in any decision whether or not to convert endowment monies into expendable income the trustees should have regard for the primary intention of this endowment. The trustees aim to increase the total funds of the charity to a level that will allow ongoing future annual donations of £5 million per annum.

Any funds receivable during the relevant accounting year but not utilised are carried forward as part of the Unrestricted Income Fund.

1.8 Leases

Finance leases, which transfer to the charity substantially all the risks and rewards of ownership of the leased asset are capitalised at the inception of the lease at the present value of minimum lease payments.

Rents receivable under operating leases are recognised in the statement of financial activities (including an income and expenditure account) on a straight line basis over the lease term.

1.9 Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities (including an income and expenditure account).

1.10 Financial Instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities (including an income and expenditure account). If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities (including an income and expenditure account).

Financial assets are derecognised when:

- (a) The contractual rights to the cash flows from the asset expire or are settled; or
- (b) Substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- (c) Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

1 Accounting policies (continued)

1.10 Financial Instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, this is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Investment Income

	Unrestricted Income Fund	Total Funds 2017	Unrestricted Income Fund As restated	Total Funds 2016 As restated
	£	£	£	£
Rent receivable from UK investment properties	4,563,201	4,563,201	4,402,689	4,402,689
Bank interest receivable (UK)	42,063	42,063	57,991	57,991
Other interest receivable (UK)	-	-	781	781
Dividends from listed investments	781,098	781,098	775,054	775,054
	<u>5,386,362</u>	<u>5,386,362</u>	<u>5,236,515</u>	<u>5,236,515</u>

All income from investment properties is generated from operating leases.

Please refer to note 1.2(ii) to the financial statements for details of the prior period adjustment.

3 Raising Funds

	Unrestricted Income Fund	Total Funds 2017	Unrestricted Income Fund	Total Funds 2016
	£	£	£	£
Property insurance	10,938	10,938	9,578	9,578
Legal & professional fees in respect of investment properties	29,450	29,450	20,402	20,402
Property management costs	<u>40,388</u>	<u>40,388</u>	<u>29,980</u>	<u>29,980</u>

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

4 Grant making

The following table analyses the grants into broad categories and by year in which they fall due for payment.

	Paid 2017 £	Payable 2018-20 £	Total £
The relief of poverty			
Abbeyfield (Reading) Society Ltd	2,000	-	2,000
Britannia Association (2 grants)	5,000	-	5,000
British Forces Foundation (2 grants)	15,000	-	15,000
HMS Ocean Welfare Fund	10,000	-	10,000
Portsmouth Family Welfare Association	12,000	-	12,000
RICS Benevolent Fund (5 grants)	200,000	800,000	1,000,000
Royal British Legion	19,000	-	19,000
Royal Naval Benevolent Trust	7,000	-	7,000
Royal Naval Engineers Benevolent Society	2,000	-	2,000
Royal Variety Charity	2,000	-	2,000
SSAFA	50,000	-	50,000
SSAFA Herefordshire	1,000	-	1,000
White Ensign Association (7 grants)	293,000	-	293,000
	<u>618,000</u>	<u>800,000</u>	<u>1,418,000</u>
The advancement of education			
1 st Fareham Scout Group	5,000	-	5,000
Ablechild Trust (2 grants)	9,000	-	9,000
Bexley & Lewisham Sea Cadets	5,000	-	5,000
BF Adventure (2 grants)	40,000	40,000	80,000
Bournemouth University	10,000	-	10,000
Cherubim Music Trust	5,000	-	5,000
Dame Vera Lynn Trust	5,000	-	5,000
Duke of Edinburgh Award (4 grants)	228,000	-	228,000
Friends of St Mary's School	4,000	-	4,000
Goodwood Education Trust	5,000	-	5,000
Guildford Sea Cadets	5,000	-	5,000
Institute of Marine Engineering Science & Technology	10,000	-	10,000
Marine Society of Sea Cadets	100,000	-	100,000
Maritime Foundation (2 grants)	30,000	30,000	60,000
National Maritime Museum of Cornwall	5,000	-	5,000
National Museum of the Royal Navy	165,000	-	165,000
Old Vic Theatre Trust	500	-	500
Outward Bound Trust	50,000	-	50,000
Papworth Trust	1,500	-	1,500
Petersham & Ham Sea Scout Group	10,000	-	10,000
Purcell School for Young Musicians	5,000	-	5,000
Queen Elizabeth Scholarship Trust (3 grants)	6,000	12,000	18,000
Royal National Institute for the Blind (2 grants)	15,000	-	15,000
Warsash Sea Cadet Unit (TS Tormentor)	3,000	-	3,000
	<u>722,000</u>	<u>82,000</u>	<u>804,000</u>

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

4 Grant making (continued)

	Paid 2017 £	Payable 2018-20 £	Total £
The advancement of religion			
Annual Service for Seafarers	10,000	-	10,000
Christian Vision for Men	500	-	500
	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Other purposes beneficial to the community			
Aircrewmans Association	2,000	-	2,000
Alzheimer's Society Dinner	5,000	-	5,000
ARNI	8,000	-	8,000
Association of Wrens Yeovil & District	5,000	-	5,000
Band of HM Royal Marines Scotland	500	-	500
Battersea Dogs & Cats Home	1,000	-	1,000
Bud Flanagan Leukemia Fund	1,000	-	1,000
Cancer Research UK	5,000	-	5,000
Care After Combat	2,000	-	2,000
Care for the Family	500	-	500
Carers UK	5,000	-	5,000
Castle of Mey Trust	300,000	-	300,000
Chance to Shine	1,000	-	1,000
Chiddingfold Bonfire (Charities) Association	5,000	-	5,000
Children with Cancer UK	500	-	500
Chiltern MS Centre	25,000	-	25,000
Cleanup UK (3 grants)	10,000	20,000	30,000
Combat Stress	10,000	-	10,000
Commonwealth Youth Orchestra & Choir	5,000	-	5,000
Concord Prison Trust	15,000	-	15,000
Creative Youth	1,000	-	1,000
Crime Stoppers UK	10,000	-	10,000
Culdrose Central Amenities Fund	1,000	-	1,000
Dame Vera Lynn Trust - 100	50,000	-	50,000
Down's Syndrome Association	1,000	-	1,000
Dumfries House Trust (2 grants)	150,000	650,000	800,000
Fleet Air Arm Officers' Association	500	-	500
Foundation for Liver Research (3 grants)	50,000	100,000	150,000
Gold Service Foundation (2 grants)	50,000	-	50,000
GOSH	2,000	-	2,000
Greater London Fund for the Blind	50,000	-	50,000
Greenwich Hospital	30,000	-	30,000
Hampton Wick & South Teddington Old People's Welfare & Good	2,000	-	2,000
Hampton Wick Association	1,000	-	1,000
	<u>805,000</u>	<u>770,000</u>	<u>1,575,000</u>
Subtotal carried forward	805,000	770,000	1,575,000

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

4 Grant making (continued)

	Paid 2017 £	Payable 2018-20 £	Total £
Other purposes beneficial to the community (continued)			
Subtotal brought forward	805,000	770,000	1,575,000
HM 90 th Birthday Garden	5,000	-	5,000
HMS Defender CAF	4,000	-	4,000
HMS Drake CAF	2,000	-	2,000
HMS Heron CAF (5 grants)	26,000	-	26,000
HMS Nelson LAF	2,000	-	2,000
HMS Nelson LAF (HMS Westminster Battlefield Tour)	1,000	-	1,000
HMS Nelson LAF (RN Portsmouth Family Day)	10,000	-	10,000
HMS Queen Elizabeth (3 grants)	100,000	200,000	300,000
HMS Raleigh CAF	3,000	-	3,000
HMS Torbay CAF	10,000	-	10,000
Independent Age	1,000	-	1,000
Insole Court Cardiff	10,000	-	10,000
Kingston Hospital Charity (2 grants)	5,500	-	5,500
Labrador Rescue Trust	10,000	-	10,000
Landmark Arts Centre	5,000	-	5,000
L'Arche	5,000	-	5,000
League of Mercy Foundation	15,000	-	15,000
Leander (Kingston) Sea Scout Group	1,000	-	1,000
Lewis Moody Foundation	2,000	-	2,000
Lord Mayor's Appeal 2016	5,000	-	5,000
Macmillan Nurses	500	-	500
Midmay Mission Hospital	10,000	-	10,000
Momentum	2,000	-	2,000
NSPCC	3,000	-	3,000
Patron's Fund	229,500	-	229,500
Princess Alice Hospice	1,000	-	1,000
RAFT (2 grants)	8,500	-	8,500
Richmond Mencap	1,000	-	1,000
RN & RM Riding Stables Bickleigh	10,000	-	10,000
RN Squash Rackets Association	4,500	-	4,500
Roro Sailing Project	5,000	-	5,000
Royal British Legion Central Band	18,000	-	18,000
Royal Humane Society	10,000	-	10,000
Subtotal carried forward	1,330,500	970,000	2,300,500

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

4 Grant making (continued)

	Paid 2017 £	Payable 2018-20 £	Total £
Other purposes beneficial to the community (continued)			
Subtotal brought forward	1,330,500	970,000	2,300,500
Royal Marines Association	5,000	-	5,000
Royal Marines Association Concert Band	23,000	-	23,000
Royal National Lifeboat Institute	5,000	-	5,000
Royal Navy Association Torbay	1,000	-	1,000
Royal Navy Netball Association	5,000	-	5,000
Royal Navy Royal Marine Charity	5,000	-	5,000
Royal Navy Royal Marines Rifle Association	2,000	-	2,000
Royal Trinity Hospital	5,000	-	5,000
RYA Foundation	5,000	-	5,000
Saints & Sinners Trust Limited	35,000	-	35,000
Sea Change Sailing Trust	15,000	-	15,000
Seafarers UKI	20,000	-	20,000
Shooting Star Chase	100,000	-	100,000
Sir Simon Milton Foundation	2,000	-	2,000
St John Cymru	60,000	-	60,000
St John of Jerusalem Eye Hospital Group	5,000	-	5,000
St John's Hospice (Antigua)	25,000	-	25,000
St Luke's Hospice (Plymouth)	5,000	-	5,000
St Mary's Hospital More Smiles Appeal	5,000	-	5,000
Stockton-on-Tees Sea Cadets	15,000	-	15,000
Stroke Association (2 grants)	1,000	-	1,000
Support our Paras	1,400	-	1,400
Teddington Athletic Football Club	5,000	-	5,000
Vaudeville Golfing Society	5,000	-	5,000
Vernon Monument Project	30,000	-	30,000
Windsor Benefit Trust	150,00	-	150,00
Worldwide Cancer Research UK	2,000	-	2,000
	<u>1,867,900</u>	<u>970,000</u>	<u>2,837,900</u>
Decrease in commitments made in prior years	(219,859)	-	(219,859)
Total	<u>2,998,541</u>	<u>1,852,000</u>	<u>4,850,541</u>

In the current year and prior year, all grants have been made to institutions from the Unrestricted Income Fund.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

5 Analysis of accruals for grants payable

	Notes	2018 £	2019-20 £	Total £
Accruals for grants payable during the year		1,086,000	766,000	1,852,000
Accruals for grants payable in prior periods		420,000	800,000	1,220,000
	13, 14	1,506,000	1,566,000	3,072,000

6 Governance costs

	Unrestricted Income Fund £	Total Funds 2017 £	Unrestricted Income Fund £	Total Funds 2016 £
Accountancy and professional fees	84,203	84,203	56,590	56,590
Audit fees	20,400	20,400	12,837	12,837
Bank charges	1,975	1,975	1,772	1,772
	106,578	106,578	71,199	71,199

Included within the accountancy and professional fees are £84,203 (2016: £56,590) for the other professional services provided by the auditors.

7 Trustees' remuneration, trustees' benefits and staff costs

No trustees received any remuneration or had any expenses reimbursed for their services during the current or prior years.

8 Employees

There were no employees in either the current or prior years.

9 Investment properties

	2017 £	2016 as restated £
At 1 April 2016:		
Historical cost	60,148,000	57,083,742
Revaluation brought forward	24,149,808	14,268,040
	84,297,808	71,351,782
Fair value	28,455	3,064,258
Add acquisitions at cost during the year		
	84,326,263	74,416,040
	(2,297,200)	9,881,768
Unrealised gains on revaluation during the year		
	82,029,063	84,297,808

The Tuscan property portfolio was revalued at 31 March 2017 by Wright & Partners, qualified and external Chartered Surveyors. The Tuscan property portfolio is jointly held with The Hobson Charity Limited, a charity under common influence. This note includes The Gosling Foundation's share only. Mill House and Fusion House were revalued on 31 March 2017 by BNP Paribas Real Estate, qualified and external Chartered Surveyors. The directors consider the valuation of the investment properties to be accurate and to reflect their fair value as at 31 March 2017. The property reanalysed from assets under construction upon completion is held at cost which the trustees consider to be the best estimate of fair value at the year end. All investment properties are in the UK. Included within the investment property fair value is £1,100,000 (2016: £1,100,000) in respect of assets held under finance lease.

Unrealised gains on revaluation of investment properties are allocated to the Expendable Endowment Fund in both the current and prior year.

Please refer to note 1.4 to the financial statements for details of the prior period adjustment.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

10 Future minimum lease receipts due under non-cancellable operating leases

The future minimum lease receipts are as follows:

	2017 £	2016 £
Due not later than one year	4,257,721	4,369,043
Later than one year and not later than five years	19,064,844	17,192,930
Later than five years	70,124,243	77,253,285
	<u>93,446,808</u>	<u>99,085,258</u>

11 Listed investments

	2017 £	2016 £
At 1 April 2016:		
Historical cost	5,901,045	5,588,436
Revaluation brought forward	12,783,176	12,825,195
	<u>18,684,221</u>	<u>18,413,631</u>
Fair value	18,684,221	18,413,631
Add acquisitions at cost	1,156,174	376,070
Less disposal proceeds	(800,130)	(30,128)
Realised profit/(loss) on disposal	87,278	(33,333)
	<u>19,107,463</u>	<u>18,726,240</u>
Unrealised gains/(losses) on revaluation	2,432,339	(42,019)
	<u>21,559,882</u>	<u>18,684,221</u>

Realised and unrealised gains and losses on listed investments are allocated to the Expendable Endowment Fund in both the current and prior year.

12 Debtors

	2017 £	2016 As restated £
Other debtors	29,820	33,710
Prepayments and accrued income	466,633	289,655
	<u>496,453</u>	<u>323,365</u>

Financial assets that are debt instruments measured at amortised cost comprise other debtors excluding VAT and accrued income and amounted to £455,528 (2016: £314,411).

Please refer to note 1.2(ii) to the financial statements for details of the prior period adjustment.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

13 Creditors: amounts falling due within one year

	Note	2017 £	2016 As restated £
Accruals for grants payable	5	1,506,000	863,859
Other taxation and social security		60,566	52,449
Other accruals		59,228	59,908
Deferred income		1,196,543	1,183,092
		<u>2,822,337</u>	<u>2,158,308</u>

Please refer to note 1.2(ii) to the financial statements for details of the prior period adjustment.

14 Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Accruals for grants payable	5	<u>1,566,000</u>	<u>2,140,000</u>

Financial liabilities measured at amortised cost comprise accruals for grants payable and accruals excluding the audit fee accrual and amounted to £3,113,228 (2016: £3,048,767).

15 Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
3 (2016: 3) Ordinary Shares of £1 each	<u>3</u>	<u>3</u>

16 Trust funds

	£
Expendable Endowment Fund (including the Unrealised Investment Gains):	
Balance as at 1 April 2016, as previously stated	90,684,741
Prior period adjustment	(2,235,549)
Balance as at 1 April 2016, as restated	<u>88,449,192</u>
Net movement in funds	<u>367,400</u>
Balance as at 31 March 2017	<u>88,816,592</u>

Please refer to note 1.4 to the financial statements for details of the prior period adjustment.

Unrestricted Income Fund:

Balance as at 1 April 2016, as previously stated	20,147,572
Prior period adjustment	449,170
Balance as at 1 April 2016, as restated	<u>20,596,742</u>
Net movement in funds	<u>388,855</u>
Balance as at 31 March 2017	<u>20,985,597</u>

The initial endowment was a gift of shares in National Parking Corporation Limited and the proceeds of a Special Dividend on these shares which totalled £11,044,784.

Please refer to note 1.2 (ii) to the financial statements for details of the prior period adjustment.

THE GOSLING FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

17 Analysis of net assets between funds

	Share Capital £	Unrestricted Income Funds £	Expendable Endowment Fund £	Unrealised Investment Gains £	Total Funds £
Fund balances at 31 March 2017 are represented by:-					
Investments	-	15,981,052	51,748,469	37,068,123	104,797,644
Current assets	3	9,392,879	-	-	9,392,882
Liabilities	-	(4,388,337)	-	-	(4,388,337)
Total net assets	3	20,985,594	51,748,469	37,068,123	109,802,189

18 Control

By virtue of his 67% shareholding, Hon Vice Admiral Sir Donald Gosling KCVO RNR, Vice-Admiral of the United Kingdom, a trustee, was the ultimate controlling party throughout the current and prior year. Notwithstanding this, all trustees' decisions are made unanimously.

19 Related party transactions

During the year the charity incurred expenditure of £17,387 (2016: £9,319) on behalf of The Hobson Charity Limited, a charity under common influence. At the balance sheet date the balance due from The Hobson Charity Limited was £8,386 (2016: £602).

In addition, during the year the charity paid rental income to The Hobson Charity Limited in respect of The Hobson Charity Limited's interest in a commercial property portfolio totalling £1,875,325 (2016: £1,840,167) of which £nil (2016: £nil) was due to The Hobson Charity Limited at the year end.

During the year the charity made a donation of £35,000 (2016: £35,000) to The Saints and Sinners Trust Limited, a charity under common influence. At the balance sheet date the balance due to The Saints and Sinners Trust Limited was £nil (2016: £nil).