

REGISTERED COMPANY NUMBER: 01960980 (England and Wales)

REGISTERED CHARITY NUMBER: 293835

**Report of the Trustees and
Financial Statements for the Year Ended 31st March 2019
for
THE ELIZABETH FOUNDATION**

Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

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THE ELIZABETH FOUNDATION

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THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2019. The trustees have adopted the provisions of 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Elizabeth Foundation was established under the terms of a Trust Deed (May 1982), and then subsequently in November 1985 incorporated as a charitable company limited by guarantee. Its governing documents are accordingly the Trust Deed and Memorandum and Articles of Association (revised 1997, 1998, 2007, 2011, 2014 and 2016), which provide for a governing Board of Trustees originally known as the Council of Management. The Foundation is registered with the Charity Commission under the Charities Act 1960.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01960980 (England and Wales)

Registered Charity number

293835

Registered office

The Elizabeth Foundation
Southwick Hill Road
Cosham
Portsmouth
Hampshire
PO6 3LL

Trustees

Dr W Al-Safi		Appointed 25.7.18
Dr P H Ardern	Chair	
Mrs E L Bryant		Resigned 31.10.18
Mr T C R Holloway		Appointed 24.07.19
Mrs S J Hutchinson	Treasurer (from 31.10.18)	
Ms I L Manuel		
Ms E Peers	Treasurer (to 25.07.18)	Resigned 25.07.18
Miss E J Tyler		
Mr M Waters		Appointed 01.05.19

Auditors

Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

AIMS AND OBJECTIVES

The Elizabeth Foundation's mission is to facilitate early diagnosis for babies and pre-school children with all degrees of deafness, and provide comprehensive educational and support services for them and their families. By doing so we enable these children to develop their listening and spoken language skills, build their self-esteem, and give parents the confidence and knowledge to make informed decisions on behalf of their child.

The Operational Plan for 2018-19 followed five strategic goals:

- Goal 1: To continue to improve the education programme whilst maintaining our Outstanding Ofsted rating
- Goal 2: To expand the home learning programme, supporting families in the UK and abroad
- Goal 3: To diversify fundraising to deliver services and maintain our facilities
- Goal 4: To review corporate services to create resilience and build sustainable income
- Goal 5: To engage a robust marketing plan both for services and for funding

Achievements and Performance

At The Elizabeth Foundation, our core services comprise of 2 baby groups, 3 toddler groups and 9 pre-school groups – with 76 families from thirteen different counties being supported by our services on a weekly basis during 2018-19. We provide a high quality education programme for children and families. This includes parent/family support, monitoring and assessment for speech, language, listening and communication, an Early Years Foundation Stage Curriculum in the nursery setting, and reporting for Education Health and Care Plans/ school transition. Parents and families remain an integral part of our service provision, with family involvement at all times throughout the programme. In addition to our core services, we support families through our 3 Listen Groups – for children with Down syndrome, children with one-sided and/or conductive hearing loss, and for children with severe and complex needs. For those families who cannot access our services due to transport or distance, we have launched an online home learning programme called Let's Listen and Talk, an interactive programme to support families with children with hearing loss. Families from across the UK can also access our services through the Summer Residential Programme, an intensive one-week programme for the whole family.

Goal 1: To continue to improve the education programme whilst maintaining our Outstanding Ofsted rating

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none">- To continue to provide 'Outstanding' services to babies and pre-school children with hearing loss and their families- To source funding for training opportunities to remain at the cutting edge of education and technology developments- To maintain our services, running to capacity, for our facilities, ensuring adequate support for all services provided- To sustain our support groups to meet the needs of families who attend	<ul style="list-style-type: none">- We continue to provide 'Outstanding' services to children with hearing loss and their families from all across the South of England; all children receive termly individual education plans and parents are updated regularly with achievements and 'next-steps'- We are running to capacity in the number of sessions that we can offer and have been able to support all families that have requested our services without the need for a waiting list- We continually reflect on our services and request feedback from our service users and visitors to gain valuable feedback for improvements and developments- Support groups are well attended and have received positive report of impact; our group for children with severe/complex needs is not running at this time as there is not a demand for this service currently. However it remains available to children/families if needed

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none"> - To sustain the music therapy programme over time - To ensure our work remains evidence-based, continuing to collect data to monitor and improve the efficacy of our work - To work with partners to participate in research studies that examine the value of our services - To work in partnership with other organisations that support deaf children in order to build an international reputation as the 'experts' for pre-school deaf oral education 	<ul style="list-style-type: none"> - Music continues to be an integral part of our activities and all of the children and families we work with have benefitted from our music programme - Education staff have attended a variety of training courses and conferences, ensuring that we are using the most up-to-date information in our teaching practise with families - We continue to take part in a research project with the University of Grenoble, France and we have developed a partnership with City University, London, to take part in a research study on literacy, which has potential to change practice nationwide. - We continue to work closely with National Deaf Children's Society, Ewing Foundation, Advanced Bionics, Cochlear, Auditory Verbal UK and the Ear Foundation – likeminded charities and businesses that are all working towards similar goals of supporting families with deaf children.

Goal 2: To expand the home learning programme, supporting families in the UK and abroad

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none"> - To grow our programme to meet the needs of more families in the UK and abroad - To build links with cochlear implant centres, local authorities and Audiology services across the UK to use the HLP as a resource post-implant or post-diagnosis - To create cochlear implant-related resources for parents and develop a music strand within the HLP resource - To build partnerships with private services to provide rehabilitation support through the HLP 	<ul style="list-style-type: none"> - We continue to grow our online programme, supporting more families from further afield - We have initiated a pilot programme to work in partnership with local authority Teachers of the Deaf from across the UK to support families in a triangulated way – family, TEF, and local authority ToD - We have secured funding to move forward with a music strand and a technology strand for the online Home Learning Programme and have initiated planning and development - We have attended conferences for Cochlear Implant professionals, Audiologists, Speech and Language Therapists and Teachers of the Deaf to promote our newest service

Goal 3: To diversify fundraising to deliver services and maintain our facilities

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none"> - To develop and diversify The Elizabeth Foundation's portfolio of income - To raise awareness of The Elizabeth Foundation both locally and nationally, developing new sponsorship platforms and increasing our volunteer base. - To build strong relationships with past, current and new supporters and grant making trusts in order to maintain and widen interest and support for our work. - To develop professional networks and community engagement to promote giving and volunteering by businesses and individuals. 	<ul style="list-style-type: none"> - We were successful again in attracting both new and renewed support from a range of grant awarding trusts, including BBC Children in Need. Some new initiatives have also been launched, including one called 'Go the distance for deafness' - We have invested in our fundraising team to help build capacity by creating a Deputy CEO role with responsibilities around fundraising, volunteering and strategy development among others - Relationship-building initiatives have included running donor appreciation days and termly parent meetings to re-engage them in fundraising - Participation in community networks through Chamber of Commerce and BNI – Port Solent has begun to bear fruit and generate to partnerships

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

Goal 4: To engage a robust marketing plan both for services and for funding

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none">- To continue to develop new written material using The Elizabeth Foundation's branding, that reflects the charity's family-centred ethos in a way that is up-to-date and fit-for-purpose for print, online, signage and merchandise.- To identify the key audiences we wish to reach, their locations and the key messages we wish to convey to these different audiences.- To identify the most appropriate channels for delivering these key messages to our key audiences and the most appropriate frequency of communication for each audience / message combination.- To monitor the environment to keep informed of trends and innovations in marketing, fundraising, technology and social media that might benefit the charity's marketing activities.	<ul style="list-style-type: none">- We published a Listen Magazine and an Impact Report during the financial year and launched a new website to promote our services. We have also developed a new brochure for fundraising and updated our letterhead- We have launched a new policy around social media and have extended our use of social media to raise awareness and raise funds, for example through Facebook fundraising- Attendance at a digital skills masterclass has assisted message targeting. E-news continues to be sent to stakeholders to keep people informed of events and happenings, while our articles have appeared in Cochlear Implant Support Group magazine, and in BATOD magazine- We continue to promote our services and take soundings at networking meetings for Speech and Language Therapists, Teachers of the Deaf, Audiologists and Cochlear Implant Teams

Goal 5: To review corporate services to create resilience and build sustainable income

Our 2018/19 plans:	Our 2018/19 achievements:
<ul style="list-style-type: none">- To build up the Foundation's resilience and sustainability by continuing to follow a long-term approach to financial planning.- To increase the diversity and reliability of our income streams by developing the potential of our existing assets.- To continue to keep pace with evolving best practice concerning people management, for both staff and volunteers.- To continue to improve the efficiency, reliability, security and safety of our corporate services functions.	<ul style="list-style-type: none">- Improved termination clauses in our service level agreements with long-term partners will allow for more time to adjust in the event of change.- Completion of the new Garden Suite and the start of a new collaboration with the University of Southampton has opened up a new income stream, and a new Investment Policy should lead to increased returns in future.- A robust volunteer recruitment, induction and engagement programme has been implemented.- Improved back-up arrangements and other measures have been put in place to improve cyber-security and fire safety was tightened after a detailed review.

The Trustees are pleased with the progress that has been made, which they have monitored during the year using our operational and strategic plans. Information about Goals for 2019/20 is set out later in this report.

Much of our work is only possible because of the tremendous efforts of regular volunteers. They contribute to every element of the charity, including support in the nursery sessions; help at lunchtimes; administrative assistance; support before, during and after events; fundraising support; maintenance and garden upkeep; ambassador roles; and minibus driving. All the work we do is enhanced by the support that we receive from our volunteers and we are very grateful to them for giving their time so generously.

OUR PLANS FOR FUTURE PERIODS

1. Education programme:

To continue to audit, assess and reflect on the education programme so that we continue to provide Ofsted-rated 'Outstanding' services to deaf children and their families

To continue to provide support to families through our Listen groups, keep up to date with current research and responding to user feedback

To continue to provide monthly music therapy sessions to support communication development

To work with partners to participate in research studies that impact on the work we do

To source funding for training or identify free or reciprocal arrangement for training opportunities to remain at the cutting edge of education and technology developments

To work in partnership with other organisations that support deaf children in order to build an international reputation as the 'experts' for pre-school deaf oral education

2. Home Learning Programme:

To increase enrolment on the Let's Listen and Talk online programme

To increase enrolment of local authorities participating in the pilot programme for Let's Listen and Talk

To update and develop the Let's Listen and Talk Programme

To provide support to families from across the UK through the summer residential programme and adapt the programme in response to user feedback and need

3. Fundraising:

To develop and diversify The Elizabeth Foundations portfolio of income in order to deliver core services and maintain our facilities

To work with the marketing team to identify the most appropriate and timely channels to engage with our supporters, increasing awareness both locally and nationally, developing new sponsorship platforms and increasing our volunteer base

To build strong relationships with past, current and new public supporters in order to maintain and widen interest and support for our work

To develop professional networks which will increase corporate support and income, identifying potential leads from beneficiary contacts as well as through our own research

To develop community engagement and awareness in order to promote our work to a local audience, increase donations and volunteering

To maintain & develop key relationships with grant funders to raise awareness of our services, contribute to positive marketing channels and secure income

4. Corporate Services:

To build up The Elizabeth Foundation's resilience and sustainability by continuing to follow a long-term approach to financial planning

To increase the diversity and reliability of our income streams by developing the potential of our existing assets

To continue to keep pace with evolving legislation & best practice concerning people management, for both staff and volunteers

To continue to improve the efficiency, reliability, security and safety of our corporate services functions

5. Marketing:

Implement social media activities that effectively engage families, professionals, funders and the wider public to increase awareness and funding

Review purpose and effectiveness of website

Ensure marketing and publicity materials are effective, fit for purpose and up to date

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

PUBLIC BENEFIT

The trustees have referred to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011 when reviewing The Elizabeth Foundation's aims and objectives, and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

FINANCIAL REVIEW

The surplus for the year amounted to £75,489 (2018: £294,517). Although the general level of individual fundraising activity and donations broadly matched that of the previous year, there was no repeat of the exceptional one-off fundraising event organised by the family of a former beneficiary, which raised £100,000 in 2018, so the total for all donations was lower at £139,038 (2018: £247,446). Legacy income has always been unpredictable and beyond our control, coming in at £150,493 (2018: £216,825). This impact was partially offset by another strong increase in the value of successful applications to grant making trusts, which rose to £257,508 (2018: £226,357).

Total expenditure increased by £92,355 to £754,998 (2018: £662,644). Of this, £64,809 is accounted for by additional staff costs, largely due to increases in teaching staff to meet rising demand and added fundraising capacity. The next largest contributor to the increase was a spike in maintenance and refurbishment costs, as several areas were enhanced, including the parent room and car park. Depreciation charges also increased significantly to £87,683 (2018: £79,635) following completion of the new Garden Suite facility. Note 19 sets out how accumulated reserves are split between fixed assets and other, more liquid, net assets.

Investments

The Elizabeth Foundation's investment powers are set out in its Memorandum & Articles of Association. Day to day cash flow management is delegated to the Chief Executive and senior staff, who act in accordance with policies agreed by the Trustees. In response to progress made toward the reserves policy goals set out in the section below, the Trustees have considered how best to maximise returns on long term reserves that need not be held in cash for any immediate practical or precautionary reason. A revised investment policy has been adopted as a result. The investment objective for such funds is to generate a return in excess of inflation over the long term, whilst also generating an income to support the charity's ongoing activities. To this end, any funds that the Trustees identify as being available for long term investment may now be invested in reputable Unit Trusts open only to charities. A first investment of £30,000 was made in the year.

Reserves

The Elizabeth Foundation's reserves comprise those that are unrestricted, those that are unrestricted but which have been set aside by the Trustees for a particular purpose, and those that are the subject of restrictions in law or by donors (and which therefore cannot be used for anything else). The Elizabeth Foundation currently has no endowed or permanent funds. Note 20 to the Accounts gives more information about reserves, including policies and restrictions applying to individual funds. Total funds held as at 31 March 2019 were £2,991,242 (2018: £2,915,753)

At 31 March 2019, The Elizabeth Foundation had unrestricted (but not "free") reserves of £1,643,247 in its Income & Expenditure Account. These reserves are not "free" as defined by the Statement of Recommended Practice (SORP), to the extent that they could only be realised (turned into cash) by disposing of fixed assets held for charity use (selling the buildings in which we carry out our activities). At 31 March 2019, 74% of these reserves were held in the form of fixed assets excluding quoted investments, down from 79% in 2018. Note 19 to the Accounts shows the level of accumulated surpluses that have already been invested in prior years in fixed assets in furtherance of The Elizabeth Foundation's charitable objectives. Accordingly, these reserves are not available as cash to meet the day to day running costs of providing services.

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2019

The reserves policy of The Elizabeth Foundation is to maintain a level of free reserves that will allow service continuity and sufficient time to adjust in a planned and robust manner to any significant change in resources. Having reviewed the practical application of similar policies for other organisations within the charitable and voluntary sector, which range from indicative free reserve levels of 3 months' operating expenditure to 3 years' total costs requirement, the Trustees aim to build free reserves equivalent to between 6 and 12 months' operating expenditure. At 31 March 2019 net current assets and quoted investments held by The Elizabeth Foundation amounted to £462,872 (2018: £613,363) of which £nil was earmarked for expenditure on fixed assets (2018: £300,000) and £462,872 represented free reserves in the General Fund (2018: £301,363). These free reserves amounted to 62% of total budgeted revenue costs and depreciation for the coming year, compared with a target of between 50% and 100%, (2018 41%). The Trustees note that additional fundraising effort will be required to keep the level of reserves within the target range.

On the basis of the annual and ongoing review of reserve levels and anticipated future cash flow, it is the opinion of the Trustees that the balance on each fund shown in the balance sheet as at 31 March 2019 (together with its anticipated income and expenditure) is adequate to fulfil that fund's obligations and the overall obligations of The Elizabeth Foundation for the next financial year, and for a period of at least 12 months from the date of this report.

THE ELIZABETH FOUNDATION

Report of the Trustees for the Year Ended 31st March 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Elizabeth Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Knox Cropper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26th June 2019 and signed on its behalf by:


Dr P H Ardern - Trustee

Report of the Independent Auditors to the Members of The Elizabeth Foundation

Opinion

We have audited the financial statements of The Elizabeth Foundation (the 'charitable company') for the year ended 31st March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2019 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.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of THE ELIZABETH FOUNDATION

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Elkins FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants & Statutory Auditors
65 Leadenhall Street
London
EC3A 2AD

Date: 24/7/2019

THE ELIZABETH FOUNDATION

**Statement of Financial Activities
for the Year Ended 31st March 2019**

		Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	334,431	212,608	547,039	690,628
Charitable activities	5	174,603	22,499	197,102	184,541
Other trading activities	3	76,827	-	76,827	75,112
Investment income	4	8,831	-	8,831	6,880
Total		594,692	235,107	829,799	957,161
EXPENDITURE ON					
Raising funds	6	175,377	2,119	177,496	143,464
Charitable activities	7				
Nursery Programmes		152,923	179,636	332,559	319,903
Family Support		16,977	1,340	18,317	27,198
Outreach and Other Services		171,359	55,268	226,627	172,079
Total		516,636	238,363	754,999	662,644
Net gains/(losses) on investments		689	-	689	-
NET INCOME/(EXPENDITURE)		78,745	(3,256)	75,489	294,517
Transfers between funds	20	11,500	(11,500)	-	-
Net movement in funds		90,245	(14,756)	75,489	294,517
RECONCILIATION OF FUNDS					
Total funds brought forward		1,553,002	1,362,751	2,915,753	2,621,236
TOTAL FUNDS CARRIED FORWARD		1,643,247	1,347,995	2,991,242	2,915,753

The notes form part of these financial statements

THE ELIZABETH FOUNDATION

**Balance Sheet
At 31st March 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	2,528,370	2,302,390
Investments	15	<u>30,689</u>	<u>-</u>
		2,559,059	2,302,390
CURRENT ASSETS			
Stocks	16	5,014	4,164
Debtors	17	106,282	38,998
Cash at bank and in hand		<u>384,143</u>	<u>644,656</u>
		495,439	687,818
CREDITORS			
Amounts falling due within one year	18	<u>(63,256)</u>	<u>(74,455)</u>
NET CURRENT ASSETS		<u>432,183</u>	<u>613,363</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,991,242</u>	<u>2,915,753</u>
NET ASSETS		<u>2,991,242</u>	<u>2,915,753</u>
FUNDS	20		
Unrestricted funds		1,643,247	1,553,002
Restricted funds		<u>1,347,995</u>	<u>1,362,751</u>
TOTAL FUNDS		<u>2,991,242</u>	<u>2,915,753</u>

The notes form part of these financial statements

THE ELIZABETH FOUNDATION

Balance Sheet - continued
At 31st March 2019

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

The financial statements were approved by the Board of Trustees on 24th July 2019 and were signed on its behalf by:



Dr P H Ardern -Trustee



Mrs S J Hutchinson -Trustee

The notes form part of these financial statements

THE ELIZABETH FOUNDATION

**Cash Flow Statement
for the Year Ended 31st March 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	24	<u>81,899</u>	<u>287,029</u>
Net cash provided by (used in) operating activities		<u>81,899</u>	<u>287,029</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(313,663)	(61,731)
Purchase of fixed asset investments		(30,000)	-
Interest received		<u>1,251</u>	<u>1,692</u>
Net cash provided by (used in) investing activities		<u>(342,412)</u>	<u>(60,039)</u>
Change in cash and cash equivalents in the reporting period		(260,513)	226,990
Cash and cash equivalents at the beginning of the reporting period		<u>644,656</u>	<u>417,666</u>
Cash and cash equivalents at the end of the reporting period		<u><u>384,143</u></u>	<u><u>644,656</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The Elizabeth Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charitable company has taken advantage of Paragraph 3 (3) Sch 4 of the Companies Act 2006 and adapted Companies Act formats of accounts to reflect the charitable nature of the company's activities.

The Elizabeth Foundation is a company limited by guarantee, incorporated in England and Wales, and has no share capital. Every member of the company guarantees to contribute a maximum of £1 on winding up. Its registered office is situated at Southwick Hill Road, Cosham, Portsmouth, PO6 3LL.

The financial statements are prepared in in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Critical accounting judgements and key sources of estimation uncertainty

Depreciation - The depreciation of fixed assets is based on management's estimate of their useful lives which is kept under review.

1. ACCOUNTING POLICIES - continued

Income

INCOME FROM VOLUNTARY SOURCES AND FUNDRAISING

Income includes voluntary sources of income such as charitable donation, grants, gifts (with related tax recovery where appropriate), legacies and payroll-giving programmes, as well as organised fundraising events (some of which are run directly by The Elizabeth Foundation - classed as Fundraising Events; and some which are run by volunteers and supporters with help as necessary by The Elizabeth Foundation - classed as Donations and Gifts), appeals and collections. The cost of running these programmes during the year was £177,496 (2018: £143,464) and this is included within the heading 'raising funds' shown under Expenditure, and in Note 6. The following specific policies are applied to particular categories of voluntary income and fundraising.

-Unrestricted voluntary donations and gifts are accounted for when they are received, as this is the point at which the necessary detail becomes available to allow them to be entered into the accounting records; it is also the point at which they become sufficiently certain to be recognised. Legacies are similarly accounted for when received unless there is sufficient reliable information for them to be accounted for earlier.

- Restricted income is accounted for within Restricted Funds when it is receivable (if this has been notified to The Elizabeth Foundation). Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Expenditure related to Restricted Funds is matched to Income in accordance with the terms of the award or grant.

-Donated services, facilities, and other gifts and donations in kind are accounted for in the Statement of Financial Activities when they are received and at an appropriate value to the charity where this can be quantified and where material. Corresponding additions to Fixed Assets, Stock or operating costs are made according to the nature of the item. The value of services provided by volunteers has not been included in these accounts.

INCOME FROM CHARITABLE ACTIVITIES

Activities which further the charitable objectives of The Elizabeth Foundation include:

-Nursery Programmes: baby, toddler and pre-school education programmes for children who are deaf and their parents (who have chosen to develop their child's listening and spoken language skills in a natural, fun and child-centred way);

-Family Support: practical and emotional support and counselling for such parents and families delivered either at The Elizabeth Foundation Family Centre or through our Home Learning Programme;

-Outreach and other services: regular liaison with related health professionals and mainstream schools; making The Elizabeth Foundation's day to day operations open to visiting professionals and researchers to further their professional development and project work, and to disseminate our expertise as early intervention practitioners; providing leading-edge hearing testing and diagnosis facilities and equipment; and providing the counselling and support to families required to complement testing and diagnosis activities.

1. ACCOUNTING POLICIES - continued

Income

In some cases these activities give rise to sources of operating income from contracts, service level agreements and discretionary grants from public bodies. Most such sources are subject to annual renegotiation, local spending priorities, and availability of funds from central government, and are not directly related to the full cost to The Elizabeth Foundation of carrying out the activity. Similarly, some discretionary grants (often with restrictions as to the use of the funds) are awarded to The Elizabeth Foundation by charitable or philanthropic trusts and foundations; each grant maker will have its own stringent application and monitoring procedures, and awards are usually subject to annual renegotiation or finite periods. The costs of sourcing, negotiating, managing and reporting upon such funding arrangements are accounted for as a cost of providing the related services. Fees are charged to beneficiaries for some services, and these are often set at nominal amounts to ensure that there is no financial constraint to prevent people who need our services from being able to access them. The following specific policies are applied to particular categories of income from our charitable activities.

-Income from contracts and other forms of agreement (including some described as 'grants'), where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

-Fees are accounted for when receivable

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. The Foundation is partially exempt of VAT purposes and expenditure includes irrecoverable VAT. Expenditure is allocated to the following cost centres using methods generally accepted in the sector (the ACEVO model for cost analysis, adapted to ensure compliance with SORP: Accounting and Reporting by Charities 2015):

-Costs of Raising Voluntary Income; including both direct and indirect allocations of payroll cost and administrative overhead, and direct costs associated with attracting voluntary income and carrying out fundraising activities

-Support Costs including Governance Costs; include direct and indirect costs of complying with all necessary constitutional and statutory requirements of the charitable company and its strategic management and risk assessment/management procedures

-Charitable Activities costs; comprising those costs incurred by the charity in the delivery of its activities and services. It includes both directly attributed costs, and allocations of indirect costs and overheads that are necessary to support them and without which it would not be possible to continue them

All costs are allocated between these cost centres (expenditure categories) on a fair and consistent basis intended to reflect the use of the resource. Many types of cost include items that can be directly attributed, as well as a pool of costs that are dealt with by apportionment using an appropriate basis such as staff time allocation, estimated floor area usage, or another reasonable judgement of consumption. The information set out in Notes 6 to 8 summarises the outcome of detailed cost allocations based on the ACEVO model as explained above (this model is used to assist the charity's understanding of its cost of delivering services, and to provide a basis for full cost recovery discussions with potential funders when appropriate).

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets are capitalised where their individual value exceeds £500. Fixed Assets are stated at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of valuation, less estimated residual value, of each asset evenly over its expected useful life on a straight line basis. The rates most used in each category are as follows:

Freehold property	-	50 years
Office equipment	-	4 to 5 years
Long leasehold buildings	-	5 to 50 years
Computer equipment	-	4 to 5 years
School equipment	-	5 years
Medical equipment	-	3 to 5 years
Motor vehicles	-	5 years

Where depreciation is charged against assets representing restricted and designated funds, this depreciation is charged against that fund as it arises. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

Investments are stated at market value. Surpluses and deficits on revaluation are credited to or charged against the related fund as is investment income earned.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted funds are defined as grants, sponsorship and other income received or generated for the objectives of the charity without further specified purpose and which are available as general funds, but which may be required for committed projects or designated by the Trustees for specific purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. ACCOUNTING POLICIES - continued

Reserves

The Elizabeth Foundation recognises that accounting reserves are not always represented by available liquid assets. Note 20 sets out how The Elizabeth Foundation reserves ('funds') are represented at the balance sheet date. It also provides information about reserves policies, including that for the Income and Expenditure Account, and additional details is also given in the Directors' (Trustees') Report. There are two reserve targets: a longstanding target to hold between 50% and 100% of total budgeted costs for the ensuing year in accessible free reserves and a minimum cash reserve of 25% of the current year's budget.

Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The directors plan to keep the charity as a going concern as referred to in the Aims and Objectives of the Trustee's Report.

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.

Cash at bank

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

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 their settlement amount after allowing for any trade discounts due.

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations	139,038	-	139,038	247,446
Legacies	150,493	-	150,493	216,825
Grants	<u>44,900</u>	<u>212,608</u>	<u>257,508</u>	<u>226,357</u>
	<u>334,431</u>	<u>212,608</u>	<u>547,039</u>	<u>690,628</u>

In addition to the legacies received in the year, the Foundation has been notified of its entitlement to further distributions from estates. The Foundations is unable to reliably estimate amounts receivable and accordingly has not recorded these as income.

Grants received, included in the above, are as follows:

	2019 £	2018 £
Other grants	<u>257,508</u>	<u>226,357</u>
Downlands Educational Trust	45,878	1,000
BBC Children In Need	41,683	34,967
The Leathersellers' Company	30,000	-
Global Make Some Noise	25,000	43,100
Garfield Weston	25,000	25,000
Barbara Ward Children's Foundation	10,000	-
Peter Harrison Foundation	10,000	10,000
QBE Foundation	10,000	10,000
Ovingdean Hall Foundation	9,100	-
Rotary Club of Portsmouth North	6,540	-
The Casey Trust	5,000	-
The Mikado Trust	5,000	1,500
The Grant Foundation	3,000	-
Victorious Festival	2,800	-
St James Place Foundation	2,500	-
The CPF Trust	2,000	-
Goldsmiths Company	2,000	2,000
The Graham High Charitable Trust	1,500	1,500
Grand Order of Water Rats	1,297	-
Ecclesiastical Insurance	1,000	-
The Hasluck Charitable Trust	1,000	-
The Richardson Brothers' Foundation	1,000	-
The Webb Family Charitable Trust	1,000	-
Southern Cooperative	1,000	-
The Fence Club Charity	560	-
Other grants	13,650	7,500
The Werth Trust	-	20,000
Masonic Charity	-	15,000
GJW Turner Trust	-	10,000
The Grocers Company	-	10,000
The Mahoro Trust	-	5,000
Portsmouth & District Hard of Hearing Fellowship	-	3,764

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

2. DONATIONS AND LEGACIES - continued

The Aylesfield Foundation	-	3,500
Cochlear Europe Limited	-	3,000
The D'Oyly Carte Charitable Trust	-	3,000
The Louis Ross Foundation	-	3,000
Wave FM	-	2,586
The Alan Robert Laker Charitable Trust	-	2,150
The Bernard Sunley Charitable Foundation	-	2,000
Zurich Community Trust	-	2,000
The Screwfix Foundation	-	1,500
The Belgae Trust	-	1,000
The Irving Memorial Trust	-	1,000
J Wilkinson Charitable Trust	-	715
Marjorie Viggars Trust	-	575

£257,508

£226,357

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Fundraising events	<u>76,827</u>	<u>-</u>	<u>76,827</u>	<u>75,112</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Solar panels	6,277	-	6,277	5,188
Deposit account interest	<u>2,554</u>	<u>-</u>	<u>2,554</u>	<u>1,692</u>
	<u>8,831</u>	<u>-</u>	<u>8,831</u>	<u>6,880</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019 £	2018 £
Session charges	Nursery Programmes	45,717	47,288
Audiology	Outreach and Other Services	143,982	133,421
Home learning & consultancy	Outreach and Other Services	3,483	2,882
Other charitable activities	Outreach and Other Services	<u>3,920</u>	<u>950</u>
		<u>197,102</u>	<u>184,541</u>

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Staff costs	107,427	-	107,427	79,052
Insurance	2,601	-	2,601	2,254
Premises & utilities	2,708	-	2,708	2,262
Communications & IT	4,298	-	4,298	4,135
Service consumables	2,985	-	2,985	2,189
Printing & promotion	4,612	-	4,612	8,974
Other costs	1,480	-	1,480	1,411
Hire charges & event costs	24,557	-	24,557	20,268
Recruitment, ID checks, travel and subsistence	1,113	-	1,113	1,219
Depreciation	1,015	2,119	3,134	3,437
Support costs	22,581	-	22,581	18,263
	<u>175,377</u>	<u>2,119</u>	<u>177,496</u>	<u>143,464</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8) £	Support costs (See note 9) £	Totals £
Nursery Programmes	288,651	43,908	332,559
Family Support	16,024	2,293	18,317
Outreach and Other Services	203,852	22,775	226,627
	<u>508,527</u>	<u>68,976</u>	<u>577,503</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	311,740	276,198
Insurance	8,981	9,330
Premises & utilities	64,115	54,009
Communications & IT	3,783	4,458
Service consumables	12,787	12,151
Printing & promotion	7,684	11,021
Other costs	16,208	10,039
Recruitment, ID checks, travel and subsistence	5,032	7,796
Depreciation	78,197	67,244
	<u>508,527</u>	<u>452,246</u>

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

9. SUPPORT COSTS

	Other £
Raising donations and legacies	22,581
Nursery Programmes	43,908
Family Support	2,293
Outreach and Other Services	<u>22,775</u>
	<u>91,557</u>

Support costs, included in the above, are as follows:

	Raising donations and legacies £	Nursery Programmes £	Family Support £
Wages	14,465	25,988	1,441
Premises & utilities	188	1,885	39
Communications & IT	3,807	6,839	379
Other costs	2,967	5,332	296
Depreciation of tangible fixed assets	<u>1,154</u>	<u>3,864</u>	<u>138</u>
	<u>22,581</u>	<u>43,908</u>	<u>2,293</u>

	2019 Outreach and Other Services £	2019 Total activities £	2018 Total activities £
Wages	14,547	56,441	55,549
Premises & utilities	220	2,332	1,948
Communications & IT	3,828	14,853	9,520
Other costs	2,984	11,579	9,226
Depreciation of tangible fixed assets	<u>1,196</u>	<u>6,352</u>	<u>8,954</u>
	<u>22,775</u>	<u>91,557</u>	<u>85,197</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation - owned assets	87,683	79,635
Auditors' remuneration	<u>6,430</u>	<u>6,230</u>

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2019 nor for the year ended 31st March 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2019 nor for the year ended 31st March 2018.

12. STAFF COSTS

	2019 £	2018 £
Staff costs :		
Wages and salaries	425,377	376,066
Social security costs	28,397	19,996
Pension contributions	21,833	14,737
	<u>£475,607</u>	<u>£410,799</u>

The average monthly number of employees during the year was as follows:

	2019	2018
Raising funds	3	3
Charitable activities	17	15
Support	2	2
	<u>22</u>	<u>20</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	<u>1</u>	<u>1</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	510,860	179,768	690,628
Charitable activities			
Nursery Programmes	19,878	27,410	47,288
Outreach and Other Services	137,253	-	137,253
Other trading activities	75,112	-	75,112
Investment income	6,880	-	6,880
Total	749,983	207,178	957,161

THE ELIZABETH FOUNDATION**Notes to the Financial Statements - continued
for the Year Ended 31st March 2019****13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	143,464	-	143,464
Charitable activities			
Nursery Programmes	150,290	169,613	319,903
Family Support	27,198	-	27,198
Outreach and Other Services	137,079	35,000	172,079
Total	458,031	204,613	662,644
NET INCOME/(EXPENDITURE)	291,952	2,565	294,517
Transfers between funds	48,265	(48,265)	-
Net movement in funds	340,217	(45,700)	294,517
RECONCILIATION OF FUNDS			
Total funds brought forward	1,212,785	1,408,451	2,621,236
TOTAL FUNDS CARRIED FORWARD	1,553,002	1,362,751	2,915,753

THE ELIZABETH FOUNDATION

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2019**

14. TANGIBLE FIXED ASSETS

	Leasehold property Portsmouth Resource Centres £	School and medical equipment £	Fixtures, fittings & office equipment £	Motor vehicles £	Totals £
COST					
At 1st April 2018	3,111,456	185,969	172,246	19,248	3,488,919
Additions	285,370	25,580	2,713	-	313,663
Disposals	-	-	(7,951)	-	(7,951)
At 31st March 2019	<u>3,396,826</u>	<u>211,549</u>	<u>167,008</u>	<u>19,248</u>	<u>3,794,631</u>
DEPRECIATION					
At 1st April 2018	842,902	180,312	144,067	19,248	1,186,529
Charge for year	76,497	7,533	3,653	-	87,683
Eliminated on disposal	-	-	(7,951)	-	(7,951)
At 31st March 2019	<u>919,399</u>	<u>187,845</u>	<u>139,769</u>	<u>19,248</u>	<u>1,266,261</u>
NET BOOK VALUE					
At 31st March 2019	<u>2,477,427</u>	<u>23,704</u>	<u>27,239</u>	<u>-</u>	<u>2,528,370</u>
At 31st March 2018	<u>2,268,554</u>	<u>5,657</u>	<u>28,179</u>	<u>-</u>	<u>2,302,390</u>

The value of fully constructed long leasehold buildings (Portsmouth Resource Centres) at 31 March 2019 has been estimated for insurance purposes by the directors at £4,139,000 (2018: £3,700,000). This figure, in the opinion of the directors, closely reflects the commercial value.

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
Additions	30,000
Gain	<u>689</u>
At 31st March 2019	<u>30,689</u>
NET BOOK VALUE	
At 31st March 2019	<u>30,689</u>
At 31st March 2018	<u>-</u>

There were no investment assets outside the UK.

THE ELIZABETH FOUNDATION

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2019**

16. STOCKS

	2019	2018
	£	£
Goods for resale	1,898	2,150
Stationery and office consumables	3,116	2,014
	<u>5,014</u>	<u>4,164</u>

17. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Trade debtors	3,489	1,633
VAT	37	16,070
Prepayments and accrued income	102,756	21,295
	<u>106,282</u>	<u>38,998</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	8,147	16,820
Social security and other taxes	9,314	7,573
Other creditors	2,210	480
Accruals	23,610	17,503
Deferred income	19,975	32,079
	<u>63,256</u>	<u>74,455</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Fixed assets	1,223,171	1,305,199	2,528,370	2,302,390
Investments	30,689	-	30,689	-
Current assets	452,643	57,796	510,439	687,818
Current liabilities	(63,256)	(15,000)	(78,256)	(74,455)
	<u>1,643,247</u>	<u>1,347,995</u>	<u>2,991,242</u>	<u>2,915,753</u>

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued
for the Year Ended 31st March 2019

20. MOVEMENT IN FUNDS

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	1,253,002	78,745	311,500	1,643,247
Fixed Asset Expenditure Reserve	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
	1,553,002	78,745	11,500	1,643,247
Restricted funds				
National Lottery Charities Board Reserve	131,466	(4,611)	-	126,855
Grants & Fees Reserve	12,000	42,296	(11,500)	42,796
Ovingdean Fixed Assets Reserve	383,147	(14,307)	-	368,840
Portsmouth Resource Centres Reserve	<u>836,138</u>	<u>(26,634)</u>	<u>-</u>	<u>809,504</u>
	1,362,751	(3,256)	(11,500)	1,347,995
TOTAL FUNDS	<u>2,915,753</u>	<u>75,489</u>	<u>-</u>	<u>2,991,242</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	594,692	(516,636)	689	78,745
Restricted funds				
Grants & Fees Reserve	235,107	(192,811)	-	42,296
National Lottery Charities Board Reserve	-	(4,611)	-	(4,611)
Ovingdean Fixed Assets Reserve	-	(14,307)	-	(14,307)
Portsmouth Resource Centres Reserve	<u>-</u>	<u>(26,634)</u>	<u>-</u>	<u>(26,634)</u>
	235,107	(238,363)	-	(3,256)
TOTAL FUNDS	<u>829,799</u>	<u>(754,999)</u>	<u>689</u>	<u>75,489</u>

THE ELIZABETH FOUNDATION

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2019**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted Funds				
General fund	1,066,685	291,952	(105,635)	1,253,002
Fixed Asset Expenditure Reserve	146,100	-	153,900	300,000
	<u>1,212,785</u>	<u>291,952</u>	<u>48,265</u>	<u>1,553,002</u>
Restricted Funds				
National Lottery Charities Board Reserve	136,077	-	(4,611)	131,466
Grants & Fees Reserve	10,350	2,565	(915)	12,000
Ovingdean Fixed Assets Reserve	398,551	-	(15,404)	383,147
Portsmouth Resource Centres Reserve	863,473	-	(27,335)	836,138
	<u>1,408,451</u>	<u>2,565</u>	<u>(48,265)</u>	<u>1,362,751</u>
TOTAL FUNDS	<u>2,621,236</u>	<u>294,517</u>	<u>-</u>	<u>2,915,753</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	749,983	(458,031)	291,952
Restricted funds			
Grants & Fees Reserve	207,178	(204,613)	2,565
TOTAL FUNDS	<u>957,161</u>	<u>(662,644)</u>	<u>294,517</u>

20. MOVEMENT IN FUNDS - continued

NATIONAL LOTTERY CHARITIES BOARD RESERVE

Some years ago, the charitable company applied for and was awarded a project grant from the National Lottery Charities Board. The grant received is subject to restrictions, and accordingly is treated as a Restricted Fund. The related assets are subject to ongoing restrictions for a period of 80 years, and the Foundation may not dispose of these assets without the prior written permission of the National Lottery Charities Board (grantor). £230,300 of the grant was spent on depreciable fixed asset additions in the year ended 31 March 1998; depreciation charged on these assets is set against the fund each year. The remaining part of the grant was for revenue purposes to fund an additional teacher, together with project management costs and by 31 March 2001 this had been fully expended. (Note - The current operating name of the Lottery Charities Board is The Big Lottery).

GRANTS AND FEES RESERVE

The Elizabeth Foundation receives restricted grants and fees for specific charitable purposes from different grant making bodies and other agencies. These funds are spent on both depreciable fixed assets and revenue expenditure. In the year to 31 March 2019 the reserve was mainly utilised on speech and language therapy projects, teaching and nursery team employment costs, technology to directly assist children's learning, classroom refurbishment, costs of running a support group for children with a temporary or milder hearing loss, the home learning programme and other costs associated with early intervention and family support activities.

OVINGDEAN HALL FOUNDATION RESERVES

Ovingdean Hall Foundation: Income and Expenditure Reserve

This reserve held the unexpended restricted funds donated by the Ovingdean Hall Foundation for a range of special-purpose projects. The fund balance represented grants given but not expended towards the Test Centre refurbishment and extension. These funds had been fully utilized and transferred to the Ovingdean Hall Foundation Fixed Asset Reserve at 31 March 2015.

Ovingdean Hall Foundation (OHF): Fixed Asset Reserve

This reserve shows the amount of restricted grant from OHF that has been used for agreed purposes to purchase fixed assets for charity use. The fund balance represents grant-funded expenditure on solar panel installations, the construction of the Sunshine Memory Garden, purchase of a new minibus and carport and children's outdoor play equipment, and expenditure on the first phase of the Early Detection Centre extension project, which was completed in October 2014 and then named the Ovingdean Building. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

PORTSMOUTH RESOURCE CENTRES RESERVE

This reserve shows the receipt of past appeals and donations to raise money for the construction of The Elizabeth Foundation's educational facilities. This includes the 'Raise the Roof' appeal (including its final phase, the Baby Unit and the new storage basement beneath), and grants for playground equipment. The money has now been fully spent, and the building, its first-floor extension, Baby Unit annexe, and the playground area are included within fixed assets. Depreciation charged on these assets is set against the fund each year once the related asset has been brought into use.

This reserve also includes the receipts less administration costs of appeals to finance the construction and extension of the Early Detection Centre, now named the Ovingdean Building. The money has now been fully spent and the building is included in fixed assets. Depreciation charged on these assets is set against the fund each year.

FIXED ASSET EXPENDITURE RESERVE

The Fixed Asset Expenditure Reserve represents the value of unrestricted funds designated by the Board of Trustees for expenditure on fixed assets in the following year, whether or not a capital commitment existed at the balance sheet date. At 31 March 2019 the balance of this reserve comprised the estimated remaining cost of fitting out the lower ground floor of the Ovingdean Building to enable it to be brought into full use.

THE ELIZABETH FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31st March 2019

20. MOVEMENT IN FUNDS - continued

INCOME AND EXPENDITURE ACCOUNT

The Income and Expenditure Account represents the total of accumulated unrestricted and undesignated surpluses that The Elizabeth Foundation has generated during its history. As shown in Note 19, at 31 March 2019 most of these funds have been used over the years to build or buy the fixed assets (premises and equipment) that The Elizabeth Foundation uses to deliver its charitable services. At 31 March 2019 the Income and Expenditure account totalled £1,643,247 and was comprised of fixed assets of £1,223,171, investments £30,689, current assets of £452,643 and current liabilities of £63,256. Further information about the Trustees' aims in respect of free reserves is set out in the Directors' Report. In particular the Trustees consider that the charity needs to build up its liquid assets.

21. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	-	60,920

22. OTHER FINANCIAL COMMITMENTS

Operating Lease Commitment - Property

The Elizabeth Foundation entered a lease dated 1 March 1987 for a period of 99 years, in respect of land at Cosham which comprises the site of the Family Centre and Test Centre buildings that form the headquarters of The Elizabeth Foundation. The ground rent payable was reviewed during the year and at 31 March 2019 the commitments under the lease are as follows:

	2019 £	2018 £
In less than one year	7,000	1,220
In two to five years	38,000	4,880
In more than five years	650,125	76,758
	<u>695,125</u>	<u>82,858</u>

Operating Lease Commitments - Office equipment

At 31 March 2019 The Elizabeth Foundation had annual commitments under non-cancellable operating leases for office equipment as follows:

	2019 £	2018 £
In less than one year	252	252
In two to five years	1,488	1,740
In more than five years	298	-
	<u>2,038</u>	<u>1,992</u>

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2019.

24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	75,489	294,517
Adjustments for:		
Depreciation charges	87,683	79,635
Gain on investments	(689)	-
Interest received	(2,554)	(1,692)
Increase in stocks	(850)	(1,465)
Increase in debtors	(65,981)	(13,672)
Decrease in creditors	(11,199)	(70,294)
Net cash provided by (used in) operating activities	<u>81,899</u>	<u>287,029</u>