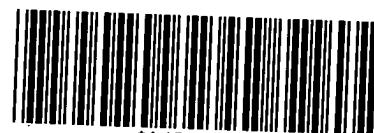


Charity Registration No. 1155919

Company Registration No. 08906571 (England and Wales)

DFN CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2014

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DFN CHARITABLE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr David Forbes-Nixon Mr David Tosh Mr James Dickson	(Chairman)
Charity number	1155919	
Company number	08906571	
Registered office	10 Norwich Street London EC4A 1BD	
Auditors	Humphrey & Co 7-9 The Avenue Eastbourne East Sussex BN21 3YA	

DFN CHARITABLE FOUNDATION

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DFN CHARITABLE FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2014

The Trustees present their report and accounts for the period ended 31 December 2014.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 21 February 2014 and registered as a charity on 24 February 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the period were:

Mr David Forbes-Nixon	(Chairman)	(Appointed 21 February 2014)
Mr David Tosh		(Appointed 21 February 2014)
Mr James Dickson		(Appointed 21 February 2014)
Mr Larry Sullivan		(Appointed 1 July 2014 and resigned 4 November 2014)

The number of Trustees shall not be less than two. The Trustees may appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

New Trustees are briefed on their legal obligations under charity and company law, the content of the governing document, the decision making process, the business plans and recent financial performance of the Charity.

Trustees are encouraged to attend appropriate external training events.

The Trustees are responsible for the management of the Charity's business, for which purpose they may exercise all the powers of the Charity.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has taken steps to ensure that a comprehensive risk assessment strategy covering major projects is securely in place.

In collaboration with the building contractor the Trustees have ensured that adequate insurance is in place to cover the development work at Undershaw.

Objectives and activities

The charity's objects are to support education, healthcare and conservation.

Education - the charity is to work with schools to invest in existing and new projects to provide the best possible learning environment for pupils and teaching facilities for staff. There will be a focus on the building of new schools and the redevelopment of existing schools.

Healthcare - The charity will also focus on investing funds into the research of treatments and also provide support for patients and families. The charity will predominantly focus on research into the treatment of Multiple Myeloma.

Conservation - The charity is also committed to ensuring the survival of the British butterfly.

When reviewing the aims and objectives of the DFN Charitable Foundation and in planning future activities, the Trustees have had due regard to the guidance on Public Benefit published by the Charity Commission.

DFN CHARITABLE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

Achievements and performance

The Foundation completed the purchase of **Undershaw** in Hindhead during November 2014, the former home of Sir Arthur Conan Doyle, with the aim of creating '**Stepping Stones at Undershaw**'.

Over the past year the DFN Charitable Foundation has worked in partnership with other charitable organisations and an existing school, Stepping Stones in Hindhead with one simple aim: to create a 'gold standard' special school for children and young adults with learning and physical difficulties.

This has proved challenging due to the difficulty in achieving full planning permission for this project.

An effective PR campaign by the DFN Charitable Foundation to explain the merits of the proposal and its clear public benefits resulted in overwhelming public support for the scheme. Full planning permission was approved in February 2015 and building work on the site has now commenced.

In conjunction with the Undershaw development project and in accordance with the Charity's educational objective, the DFN Charitable Foundation has worked to enhance the capacity of Stepping Stones School through a process of continuous improvement. With the appointment of a full time educational consultant, new instruments and Articles of Governance have been put in place and a new governing body recruited. The finances of the school have been placed on a secure footing and new financial regulations have been put in place. A new management team has also been recruited to implement the three year development plan and will oversee the completion of the new facilities, work at developing the curriculum further and adopt new teaching strategies.

The input of the DFN Charitable Foundation will allow a step change in practice at this small school which will become an exemplar to similar schools both in the UK and internationally.

Financial review

In this first period the charity has focused on the acquisition of "Undershaw" and have worked with their partners and interested parties to formulate plans to develop the building for the "Schools of Undershaw".

Mr and Mrs Forbes-Nixon generously donated the funds to achieve this objective.

Resources are initially allocated to support the development of Undershaw. Funds not immediately required for this purpose are invested for income generation and capital growth. In anticipation of the completion of this first major project the Trustees are developing a policy such that the unrestricted funds, which have not been designated for any specific purpose should be maintained at a level equivalent to normal expenditure for a defined period.

DFN CHARITABLE FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

Statement of Trustees' responsibilities

The Trustees, who are also the directors of DFN Charitable Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

Humphrey & Co were appointed auditors to the charity. A resolution proposing that they be re-appointed will be put to the members.

On behalf of the board of Trustees

X 

Mr David Forbes-Nixon

Chairman

Dated: 5 March 2015

DFN CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DFN CHARITABLE FOUNDATION

We have audited the accounts of DFN Charitable Foundation for the period ended 31 December 2014 set out on pages 6 to 15. 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).

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 its 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, the Trustees, who are also the directors of DFN Charitable Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

DFN CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DFN CHARITABLE 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 accounts 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.



C Paul Potter FCA (Senior Statutory Auditor)
for and on behalf of Humphrey & Co

Chartered Accountants
Statutory Auditor
7-9 The Avenue
Eastbourne
East Sussex
BN21 3YA

Dated: 10 March 2015

DFN CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £
<u>Incoming resources from generated funds</u>				
Donations and legacies	2	7,978,800	41,452	8,020,252
Investment income	3	3,370	-	3,370
Total incoming resources		7,982,170	41,452	8,023,622
<u>Resources expended</u>				
4				
Costs of generating funds				
Costs of generating donations and legacies		8,240	-	8,240
Net incoming resources available		7,973,930	41,452	8,015,382
Charitable activities				
Donations and other costs in support of education objective		90,585	-	90,585
Governance costs		84,641	-	84,641
Total resources expended		183,466	-	183,466
Net incoming resources		7,798,704	41,452	7,840,156
Other recognised gains and losses				
Gains on investment assets		225,990	-	225,990
Net movement in funds		8,024,694	41,452	8,066,146
Fund balances at 21 February 2014		-	-	-
Fund balances at 31 December 2014		8,024,694	41,452	8,066,146

DFN CHARITABLE FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2014

	Period ended 31 December 2014 £
Gross income	8,023,622
Gain on disposal of investment assets held by income funds	28,542
Total income	8,052,164
Total expenditure from income funds	183,466
Net income for the period	7,868,698

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income for the period	7,868,698
Unrealised gains on investment assets held by income funds	197,448
	8,066,146


DFN CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£
Fixed assets			
Tangible assets	8	1,456,810	
Investments	9	5,176,248	
			<u>6,633,058</u>
Current assets			
Debtors	10	301,377	
Cash at bank and in hand		1,194,297	
			<u>1,495,674</u>
Creditors: amounts falling due within one year	11	(62,586)	
			<u>1,433,088</u>
Net current assets			<u>1,433,088</u>
Total assets less current liabilities			<u>8,066,146</u>
Income funds			
Restricted funds	12	41,452	
Unrestricted funds			
Unrestricted income funds		7,827,246	
Revaluation reserve		197,448	
			<u>8,024,694</u>
			<u>8,066,146</u>

The accounts were approved by the Board on 5 March 2015

X  X

Mr David Forbes-Nixon
Chairman

Company Registration No. 08906571

DFN CHARITABLE FOUNDATION

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2014

		Period ended 31 December 2014 £
	Notes	
Net cash inflow from operating activities	14	7,604,166
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets		(1,459,611)
Payments to acquire investments		(5,978,800)
Receipts from sales of investments		<u>1,028,542</u>
Net cash outflow from capital expenditure and financial investment		<u>(6,409,869)</u>
Increase in cash		<u><u>1,194,297</u></u>

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

Donations and gifts are accounted for when received by the charity. Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable. All other income is recognised in the Statement of Financial Activities in the period in which it is raised or earned.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

1.3 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds comprise the costs associated with attracting voluntary income and other financing costs

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs to be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Equipment	3 year straight line method
Website	3 year straight line method

Undershaw was purchased on 10 November 2014 and is undergoing development to create "the Schools of Undershaw". The property is included in the balance sheet at purchase cost plus development costs to date.

No depreciation is provided in respect of freehold land. The depreciation policy with regard to property will be reviewed on the practical completion of the development works.

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.5 Investments

The shares held in Barclays Wealth PCC (No.1) Limited are valued as at 31 March 2014, the last audited Balance Sheet date of the Company. Other investments are shown at market value.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2014
Donations and gifts	7,978,800	41,452	8,020,252

3 Investment income

	2014
Interest receivable	3,370

4 Total resources expended

	Depreciation £	Other costs £	Grant funding £	Total 2014 £
Costs of generating funds				
Costs of generating donations and legacies	-	8,240	-	8,240
Charitable activities				
<u>Donations and other costs in support of education objective</u>				
Grant funding of activities	-	-	90,585	90,585
Governance costs	2,801	81,840	-	84,641
	2,801	90,080	90,585	183,466

Governance costs includes payments to the auditors of £3,500 for audit fees and £6,700 for non audit fees.

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

5 Donations payable

Total
2014
£

Donations and other costs in support of the education objective	90,585
	<u>90,585</u>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the period.
One Trustee was reimbursed a total of £1,180 for expenses incurred at management meetings.

7 Employees

There were no employees during the period.

8 Tangible fixed assets

	Land and buildings £	Website £	Equipment £	Total £
Cost				
At 21 February 2014	-	-	-	-
Additions	1,451,208	7,890	513	1,459,611
At 31 December 2014	1,451,208	7,890	513	1,459,611
Depreciation				
At 21 February 2014	-	-	-	-
Charge for the period	-	2,630	171	2,801
At 31 December 2014	-	2,630	171	2,801
Net book value				
At 31 December 2014	1,451,208	5,260	342	1,456,810

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

9 Fixed asset investments

	ELF Shares	Barclays Wealth PCC (No.1) Ltd	ASCOF II Shares	Total
	£	£	£	£
Market value at 21 February 2014	-	-	-	-
Donated at valuation	1,000,000	1,978,800	3,000,000	5,978,800
Disposals at opening book value	(1,000,000)	-	-	(1,000,000)
Change in value in the period	-	-	197,448	197,448
Market value at 31 December 2014	-	1,978,800	3,197,448	5,176,248
Historical cost:				
At 31 December 2014	-	1,978,800	3,000,000	4,978,800

The shares held in Barclays Wealth PCC (No.1) Limited are valued as at 31 March 2014, the last audited Balance Sheet date of the Company. Other investments are shown at market value.

10 Debtors

2014
£

Other debtors	298,795
Prepayments and accrued income	2,582
	301,377

11 Creditors: amounts falling due within one year

2014
£

Other creditors	38,086
Accruals	24,500
	62,586

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Balance at 31 December 2014
	£	£	£
Education	41,452	-	41,452
	<u>41,452</u>	<u>-</u>	<u>41,452</u>

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2014 are represented by:			
Tangible fixed assets	1,456,810	-	1,456,810
Investments	5,176,248	-	5,176,248
Current assets	1,454,222	41,452	1,495,674
Creditors: amounts falling due within one year	(62,586)	-	(62,586)
	<u>8,024,694</u>	<u>41,452</u>	<u>8,066,146</u>
Unrealised gains included above:			
On investments	197,448	-	197,448
	<u>197,448</u>	<u>-</u>	<u>197,448</u>
Reconciliation of movements in unrealised gains			
Net gains on revaluations in period	197,448	-	197,448
Unrealised gains at 31 December 2014	<u>197,448</u>	<u>-</u>	<u>197,448</u>

DFN CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

14	Net cash inflow from operating activities	2014
		£
	Reconciliation to changes in resources	
	Changes in resources before revaluations	7,840,156
	Depreciation of tangible fixed assets	2,801
	Increase in debtors	(301,377)
	Increase in creditors	62,586
		<hr/>
		7,604,166
		<hr/> <hr/>