

**The
February
Foundation**

**Annual Report and Financial
Statements**

28 February 2011

Company Limited by Guarantee
Registration Number
05718135 (England and Wales)

Charity Registration Number
1113064

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Reference and administrative information

<i>Trustees</i>	Richard Pierce-Saunderson James Carleton The February Foundation (Cayman)
<i>Chief Executive and Company Secretary</i>	Richard Pierce-Saunderson
<i>Registered office</i>	66 Lincoln's Inn Fields London WC2A 3LH
<i>Company registration number</i>	05718135 (England and Wales)
<i>Charity registration number</i>	1113064
<i>Auditors</i>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<i>Bankers and investment managers</i>	C Hoare & Co 37 Fleet Street London EC4P 4DQ Rensburg Sheppards Investment Management Limited 2 Gresham Street London EC2V 7QN
<i>Solicitors</i>	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

Trustees' report Year to 28 February 2011

The trustees present their statutory report together with the financial statements of The February Foundation for the year to 28 February 2011.

This report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies set out on page 16 and 17 of the attached financial statements and comply with the Memorandum and Articles of Association of The February Foundation, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The February Foundation was incorporated on 22 February 2006 as a company limited by guarantee under company registration number 05718135. On 23 February 2006, the Foundation registered on the Central Register of Charities under registration number 1113064.

Trustees

The names of the trustees who served during the year are set out as part of the reference and administrative information on page 1 of these Annual Report and Financial Statements.

Recruitment and appointment

The appointment of trustees is governed by the Memorandum and Articles of Association of the Foundation. All trustees must be aged at least 18, and there must at all times be a minimum of three and a maximum of five trustees. Upon appointment every trustee must sign a declaration of willingness to act as a trustee of the charity before he or she may vote at any meeting of the trustee. One third of the trustees shall retire at each AGM (those longest in the office retiring first), but may be reappointed at the meeting.

Given the size and recent establishment of the Foundation, it is not intended to look to recruit new trustees at present. Should the trustees wish to do so, they will seek, as necessary, recommendations about this process from their advisers.

During the year to 28 February 2011, Richard Pierce-Saunderson, a trustee, was paid a gross salary of £65,000 (2010 - £58,050) as well as £1,870 (2010 - £3,047) in reimbursed disbursements for office and travel expenses, including £424 (2010 - £221) paid shortly after the year end. The matter of Mr Pierce-Saunderson's remuneration was agreed with the Charity Commission at the point of charitable registration and is expressly provided for in the Foundation's governing documents and recorded in a contract for employment.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

Induction and training

The Foundation recognises that new and current trustees should be aware of the Foundation's charitable purposes, mode of operation, plans, policies and costs. All trustees are provided with a copy of the Memorandum and Articles of Association, the grant giving policy, and a copy of other relevant policies as well as minutes of recent trustees' meetings.

The trustees are provided with appropriate updates relating to matters impacting upon charity law and the running and administration of the Foundation from their professional advisers. They also attend external training events where appropriate.

Trustees' responsibilities statement

The trustees (who are also directors of The February Foundation for the purposes of company law) are responsible for preparing the trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 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 financial statements 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Organisation

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet formally at least twice a year. The trustees must approve any grants made by the Foundation before such grants are made.

The main functions of the Chief Executive comprise the following:

- ◆ research and investigation of charitable causes;
- ◆ maintaining and updating the Foundation's website;
- ◆ providing administrative and secretarial support to the trustees;
- ◆ undertaking day-to-day administrative duties;
- ◆ liaising with grant applicants, developing grant policies and monitoring grants;
- ◆ maintaining the Foundation's databases and information systems;
- ◆ acting as a point of contact for the Foundation; and
- ◆ managing the financial affairs of the Foundation.

Risk management

The trustees believe that by monitoring reserve levels and ensuring that controls exist over key financial systems, and by examining from time to time the operational risks faced by the Foundation and its grant giving activities, that they have established effective systems to mitigate the major risks to which the Foundation is exposed.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The Foundation is not a functional charity but a grant-maker which also reduces the risk. The Foundation has developed grant conditions to ensure that grants can be monitored as necessary.

In order to ensure best practice and continuous improvement, the trustees review the Foundation's risk assessment at least once a year.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives and activities

The Foundation's charitable objectives as expressed in its Memorandum of Association are as follows:

'The general purposes of such charitable bodies or for such other purposes as shall be exclusively charitable as the trustees may from time to time decide.'

The Foundation makes grants to a range of charities and charitable activities in accordance with the Foundation's grant making policy, as set out below.

The trustees reviewed the Foundation's giving policy at the end of the year under review, and decided to continue with the policy of exclusions. These are detailed in the Grant making policy section of this report.

Public benefit

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and setting its grant-making policy.

The February Foundation's aims and objectives fall within the various descriptions of charitable purposes in the Charities Act 2006, and, in particular, the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, the advancement of education, the advancement of the arts, culture, and heritage.

Grant applications for any charitable purpose are considered by the trustees. To date, all grants have been awarded to UK registered charities, and the beneficiaries are those of the recipient charities. The charities supported by the Foundation during this financial year are active in end-of-life care, patient support and treatment, education, heritage, and life skills development.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Grant making policy

At the end of each year, the trustees meet to review the Foundation's grant policy, which includes:

- ◆ reviewing and determining the grants policy for the following year;
- ◆ reviewing and determining the grants policy for the next three years.

In the year under review, the following grant making policy applied:

The Foundation will consider the following organisations for the receipt of grants, equity investment, or loans:

- ◆ charities for the benefit of persons who are making an effort to improve their lives;
- ◆ charities for the benefit of persons no longer physically or mentally able to help themselves;
- ◆ small or minority charities where small grants will have a significant impact; and
- ◆ companies where the acquisition of equity would be in line with the Foundation's investment policy.

Terms and conditions, especially for substantial grants, will be discussed and drafted by trustees on a case-by-case basis.

The level of detail of the process for selecting grant recipients, grant making and monitoring is determined by the monetary value of the individual grant application.

The trustees reviewed the Foundation's giving policy at the end of the year under review, and decided to continue with the policy of exclusions implemented in the previous year. Under these exclusions, the following are not eligible for grants:

- ◆ child care;
- ◆ Citizens Advice Bureaux;
- ◆ community centres;
- ◆ environmental projects;
- ◆ heritage and building projects;
- ◆ higher education;
- ◆ housing associations;
- ◆ individuals;
- ◆ medical research;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Grant making policy (continued)

- ◆ minibuses;
- ◆ NHS trusts;
- ◆ non-departmental government bodies;
- ◆ overseas projects;
- ◆ previously unsuccessful applicants;
- ◆ primary education;
- ◆ Scouts, Guides, Brownies, Cubs, and similar organisations;
- ◆ secondary education;
- ◆ single-faith organisations;
- ◆ sports clubs, unless for the mentally or physically disabled;
- ◆ theatre groups;
- ◆ village halls;
- ◆ youth centres.

Investment policy

The charity has a portfolio of investments with C Hoare & Co and Rensburg Sheppards which had a market value of £11,124,449 at 28 February 2011 (2010 - £8,425,131).

The investment policy of the Foundation is to seek a balanced return from capital growth over the medium term.

The investment portfolio policy is:

- ◆ to grow income over the medium term and depending on the strategy agreed with the Foundation;
- ◆ to maintain in real terms the total value of the capital base from which the Foundation's income is derived;
- ◆ to recognise that growth in income and capital requires some risks to be taken, but to require that these should be managed by maintaining a spread of investments which give a low to medium risk portfolio.

The trustees seek the investment managers to be custodians of the investment portfolio. It is the trustees' duty to produce a balanced investment strategy.

Periodic meetings are held with the investment managers who will provide the trustees with reports for the preceding half-year.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy (continued)

The trustees seek to minimise risk by:

- ◆ monitoring and periodically reviewing the performance of the investment managers;
- ◆ investing in bonds which are mainly rated A to AAA;
- ◆ investing a moderate percentage in equities whilst evaluating gifts of shares on a case-by-case basis in the context of the Foundation's overall portfolio;
- ◆ allowing a change in the investment portfolio only after discussions between the investment managers, the trustees and other professional advisers.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

General

The Foundation has continued to structure its giving in an informed manner. In the year under review, almost 450 charities were evaluated (compared to 400 in the previous year), which either had applied to the Foundation, or which were selected by the Foundation as potential candidates for funding.

Grants made

The Foundation awarded grants of £3,263,280 in the year under review. This represented 45 grants to 34 charitable organisations. Of this total, £3,041,238 was awarded and paid under existing commitments for which conditions had been met in the year and £222,042 was awarded in new grants in the year. The Foundation also made a payment of £250,000 under an unconditional existing agreement, which was recognised as expenditure in last year's financial statements.

Education

The Foundation paid 6 grants totalling £2,273,443 to two organisations under commitments made in previous years, where conditions were met this year.

The Foundation's objective in its education grant strategy is to enable universal access. However, it will now focus on managing its existing grant commitments in this area rather than accepting applications for new grants.

End-of-life care

The Foundation awarded and paid 29 grants totalling £141,417.

The Foundation continues to monitor the government's End-of-Life Care Strategy and its implementation.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Heritage

The Foundation paid 5 grants totalling £580,295 to one organisation, under commitments made in previous years, where conditions were met in the current year. The Foundation paid a further £60,000 grant to the same organisation.

The Foundation remains committed to preserving the legacy of British heritage in the UK and overseas. Although not making any new grants in this area, it is determined, through managing its existing commitments here, to enable children to learn about unique aspects of British history, and thus to encourage them to hold values of courage, dignity, respect, and endeavour.

The Foundation is not planning to make any new grants in this area.

Life skills development

The Foundation paid one grant of £187,500 under an existing commitment, where conditions were met in the current year.

The Foundation will continue to manage its existing commitments in this area, and is not planning any new grants.

Medical

The Foundation awarded and paid 4 grants totalling £20,625 to 4 organisations.

The Foundation is not planning to make any new grants in this area.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 13 of this report and financial statements.

During the year ended 28 February 2011, total incoming resources amounted to £5,123,566 (2010 - £420,702) which arose from a gift of shares amounting to £4,630,500 and income on the Foundation's investment portfolio and its cash and short term deposit holdings.

Grants were made to 34 (2010 - 17) charitable organisations totalling £3,263,280 (2010 - £2,763,690). Administration and governance costs of the charity totalled £142,133 (2010 - £172,538). Hence, the net incoming resources for the year amounted to £1,718,153 (2010 - net outgoing resources of £2,515,526).

FINANCIAL REVIEW (continued)

Results for the year (continued)

Losses arising from the disposal of investments totalled £71,311 (2010 – £67,366), and gains arising from the revaluation of investments totalled £1,382,739 (2010 – £388,813). This resulted in a total increase in funds for the year of £3,029,581 (2010 – decrease of £2,194,079) and total funds of the charity at 28 February 2011 amounted to £11,184,708 (2010 – £8,155,127).

Reserves policy

The trustees have examined the Foundation's requirements for reserves in light of the main risks to the Foundation. The trustees have established a reserves policy to protect the Foundation and its long-term charitable giving programme by providing time to adjust to changing financial circumstances.

The trustees have agreed that it would be in the best interest of the Foundation to build up a capital endowment to support its grant making activity. Initial large donations to the Foundation are therefore treated as an expendable endowment by the trustees.

The trustees have examined the Foundation's requirement for reserves in the light of the main risks to the Foundation. The trustees have established a reserves policy to protect the Foundation and its long-term charitable giving programme by providing time to adjust to changing financial circumstances.

Cashflow projections for income and expenditure are regularly reviewed by the Foundation to ensure that the level of disposable net assets is adequate and that the Foundation is in a position to meet all of its commitments. In the event that the trustees find themselves unable to meet the Foundation's commitments from unrestricted funds, they will draw on the expendable endowment to meet those commitments as they see fit.

The reserves policy will be reviewed annually to reassess the risks and reflect changes to the Foundation's income, capital, financial obligations and long-term plans for charitable expenditure.

FUTURE PLANS

The trustees are considering projects connected with current commitments. These projects, and maintaining current commitments, some of which run through to 2013, will be the main focus of the Foundation's giving plans in the years ending 29 February 2012 and 28 February 2013. However, the Foundation will still consider applications (subject to the current exclusions), and make new grants in exceptional circumstances.

Signed on behalf of the trustees:

James Carleton
Trustee

Approved by the trustees on: 4 October 2011

Independent auditor's report to the members of The February Foundation

We have audited the financial statements of The February Foundation for the year ended 28 February 2011, which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. 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 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

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 charitable company'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 Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 charitable company's affairs as at 28 February 2011 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 October 2011

Statement of financial activities Year to 28 February 2011

	Notes	Unrestricted funds £	Expendable endowment £	Total 2011 £	Total 2010 £
<i>Income and expenditure</i>					
<i>Incoming resources</i>					
Incoming resources from generated funds					
. Voluntary income	1	—	4,630,500	4,630,500	—
. Investment income	2	493,066	—	493,066	420,702
<i>Total incoming resources</i>		493,066	4,630,500	5,123,566	420,702
<i>Resources expended</i>					
Costs of generating funds					
. Investment management costs		—	36,093	36,093	52,702
Charitable activities					
. Promoting and enhancing charitable work	3	3,359,190	—	3,359,190	2,873,660
Governance costs	4	10,130	—	10,130	9,866
<i>Total resources expended</i>		3,369,320	36,093	3,405,413	2,936,228
<i>Net income/(expenditure) for the year before transfers</i>					
		(2,876,254)	4,594,407	1,718,153	(2,515,526)
Transfers between funds	12	2,876,254	(2,876,254)	—	—
<i>Net income/(expenditure) for the year</i>	5	—	1,718,153	1,718,153	(2,515,526)
<i>Statement of total recognised gains and losses</i>					
Investment gains (losses)					
. Realised	8	—	(71,311)	(71,311)	(67,366)
. Unrealised		—	1,382,739	1,382,739	388,813
<i>Net movement in funds</i>		—	3,029,581	3,029,581	(2,194,079)
<i>Fund balances brought forward at 1 March 2010</i>					
		—	8,155,127	8,155,127	10,349,206
<i>Fund balances carried forward at 28 February 2011</i>					
		—	11,184,708	11,184,708	8,155,127

Statement of financial activities Year to 28 February 2011

	<i>2011</i>	2010
	<i>£</i>	<i>£</i>
<i>Historical cost net movement in funds</i>		
Net movement in funds (page 13)	3,029,581	(2,194,079)
Unrealised gains on investments	(1,382,739)	(388,813)
Difference between historical cost realised gains on listed investments and actual realised losses calculated on the revalued amounts	53,159	134,242
Historical cost net movement in funds	1,700,001	(2,448,650)

All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet as at 28 February 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Investments	8		11,124,449		8,425,131
Current assets					
Debtors	9	51,032		559	
Cash at bank and in hand	10	43,029		15,515	
			94,061	16,074	
Creditors: amounts falling due within one year	11	(33,802)		(286,078)	
Net current assets (liabilities)			60,259		(270,004)
Total assets less current liabilities			11,184,708		8,155,127
Total net assets			11,184,708		8,155,127
Represented by:					
Capital funds					
Expendable endowment			11,184,708		8,155,127
Income funds					
Unrestricted funds			—		—
			11,184,708		8,155,127

Approved by the trustees
and signed on their behalf by:

James Carleton
Trustee

Approved on: 4 October 2011

The February Foundation

Company Registration Number: 05718135 (England and Wales)

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) have been followed in the preparation for these financial statements.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Donations of shares are recognised at their market valuation on the date of receipt.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. Charitable activities comprise grants payable as part of the Foundation's charitable activities. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

Grants are not accrued, but are noted as financial commitments in the notes to the financial statements, under the following circumstances:

- Where the beneficiary has not been informed; or
 - Where the beneficiary has to meet certain explicit conditions before the grant is released; or
 - Where the amount and timing of matched funding payments is uncertain.
- b. Governance costs include costs which are directly attributable to the organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Fixed asset investments

Fixed asset investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited), to the statement of financial activities in the period in which they arise.

Fund accounting

The expendable endowment funds represent the capital funds of the Foundation which can be drawn upon if required.

The unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the trustees.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

Notes to the financial statements 28 February 2011

1 Voluntary income

	2011	2010
	£	£
Gift of shares (note 8)	4,630,500	—

2 Investment income

	2011	2010
	£	£
Dividends and interest on investments		
· UK listed	267,725	46,058
· Overseas listed	5,777	2,398
· UK unlisted	78,675	152,669
· Overseas unlisted	140,498	218,347
Interest on cash held by investment managers and in bank accounts	391	1,230
	493,066	420,702

3 Promoting and enhancing charitable work

	2011	2010
	£	£
Grants payable to institutions by category:		
· Education	2,273,443	2,116,237
· Life skills development	187,500	151,200
· Heritage	640,295	395,745
· Medical research	20,625	12,500
· End-of-life care	141,417	88,008
	3,263,280	2,763,690
Grant and charity administration costs (including staff costs)	95,910	109,970
	3,359,190	2,873,660

The trustees awarded grants to 34 institutions in the year ended 28 February 2011 (2010 – 17). The trustees consider that the disclosure of specific material grants to institutions could seriously prejudice the furtherance of the purposes of the charity.

4 Governance costs

	2011	2010
	£	£
Statutory audit, accountancy and payroll fees	10,130	9,866

5 Net income (expenditure) for the year

This is stated after charging:

	<i>Total 2011 £</i>	Total 2010 £
Staff costs (note 6)	77,464	73,790
Auditors' remuneration: audit fee	7,230	7,079
other services	2,841	2,787

6 Staff costs and trustees' remuneration

The average number of persons employed by the Foundation during the year ended 28 February 2011 was as follows:

	<i>2011 No.</i>	2010 No.
Charitable activities		
Management	1	1

	<i>2011 £</i>	2010 £
Staff costs comprise:		
Wages and salaries	65,000	58,050
Social security costs	7,589	6,710
Pension costs	4,875	9,030
	77,464	73,790

During the year to 28 February 2011, Richard Pierce-Saunderson, a trustee, was paid a gross salary of £65,000 (2010 - £58,050) as well as £1,870 (2010 - £3,047) in reimbursed disbursements for office and travel expenses, including £424 (2010 - £221) paid shortly after the year end. The matter of Mr Pierce-Saunderson's remuneration was agreed with the Charity Commission at the point of charitable registration and is expressly provided for in the Foundation's governing documents and recorded in a contract for employment.

7 Taxation

The February Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 28 February 2011

8 Investments

At the year end, fixed asset investments comprised listed investments and cash for investment, as follows:

	<i>2011</i>	2010
	£	£
Market value of investments at 1 March 2010	8,364,678	10,855,320
Gift of shares	4,630,500	—
Additions	4,539,024	4,180,296
Disposals (proceeds £7,780,887; realised losses £71,311)	(7,852,198)	(7,059,751)
Unrealised gains in the year	1,382,739	388,813
Market value of investments at 28 February 2011	11,064,743	8,364,678
Cash held for reinvestment	59,706	60,453
	11,124,449	8,425,131
Historic cost of investments at 28 February 2011	4,907,332	8,165,447
The market value of investments at 28 February 2011 comprises:		
UK listed	7,330,658	1,332,637
Overseas listed	183,515	152,805
UK unlisted	1,573,344	2,795,819
Overseas unlisted	1,977,226	4,083,417
Cash held for investment	59,706	60,453
	11,124,449	8,425,131

The only individual material holdings as at 28 February 2011 were:

Standard Life Sterling Liquidity Fund, at a value of £648,879 or 6% of the portfolio (2010 - £942,635 or 11%).

Gifted shares at a value of £5,867,750 or 53% of the portfolio (2010 - £nil).

9 Debtors

	<i>2011</i>	2010
	£	£
<i>Due within one year</i>		
Prepayments	—	559
Accrued income	51,032	—
	51,032	559

10 Cash in bank and in hand

	<i>2011</i>	2010
	£	£
C Hoare & Co	43,029	15,515

Notes to the financial statements 28 February 2011

11 Creditors

	2011 £	2010 £
Due within one year		
Accrued expenses	28,802	36,078
Grants payable	5,000	250,000
	33,802	286,078

12 Analysis of net assets between funds

	Expendable endowment £	Unrestricted funds £	Total 2011 £	Total 2010 £
Fund balances at 28 February 2011 are represented by:				
Investments	11,124,449	—	11,124,449	8,425,131
Current assets	94,061	—	94,061	16,074
Creditors: amounts falling due within one year	(33,802)	—	(33,802)	(286,078)
Total net assets	11,184,708	—	11,184,708	8,155,127
Cumulative unrealised gains included above on investments	6,212,470	—	6,212,470	199,231

The transfer between funds represents additional commitments met from the expendable endowment fund.

13 Future grant commitments

At 28 February 2011 the trustees had approved, subject to certain conditions being fulfilled on an ongoing basis, the following grants totalling £2,450,000 (2010 - £4,900,000). These grants have not been recognised in the balance sheet as they will not be paid unless and until the relevant explicit conditions have been met.

	Payable in 2012 £	Total £
Education	2,000,000	2,000,000
Life skills development	250,000	250,000
Heritage	200,000	200,000
	2,450,000	2,450,000

14 Matched funding commitments

At 28 February 2011, the trustees had approved the following maximum grants which will not be paid to the recipient unless and until matched funding is obtained by the recipient before the agreement expires.

These amounts have not been recognised in the balance sheet.

	Education £	Heritage £	<i>Total</i> £
Maximum commitment per grant agreement	2,000,000	1,000,000	3,000,000
Paid in previous years	(116,241)	(479,428)	(595,669)
Maximum commitment at 1 March 2010	1,883,759	520,572	2,404,331
Paid in year	(273,443)	(380,295)	(653,738)
Maximum commitment at 28 February 2011	1,610,316	140,277	1,750,593

This funding is available under agreements expiring in 2012 and 2013.