

**Charity number: 1151978**  
**Registered number: 08492424**

**PETER SOWERBY FOUNDATION**

**TRUSTEES REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
30 SEPTEMBER 2017**

**PETER SOWERBY FOUNDATION  
(A company limited by guarantee)**

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# **PETER SOWERBY FOUNDATION**

**(A company limited by guarantee)**

## **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES**

### **AND ADVISERS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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<b>Trustees</b>	Mr D B H Aspinall, Chairman Professor C M Longson Mrs S Paullos Dr P R Sowerby Dr D L Stables Aspinalls Fiduciary Limited
<b>Company registered number</b>	08492424
<b>Charity registered number</b>	1151978
<b>Registered office</b>	Oxhead Hall Oxhead Norfolk NR10 5HP
<b>Independent auditors</b>	Creaseys Group Limited Chartered Accountants Statutory Auditors Brockbourne House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS
<b>Bankers</b>	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
<b>Investment advisors</b>	Quilter Cheviot Limited One Queensway London WC2B 6AN
	Seven Investment Management LLP 55 Bishopsgate London EC2N 3AS

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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The trustees present their annual report together with the audited financial statements of Peter Sowerby Foundation for the ended 30 September 2017. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

**Policies and objectives**

The charity operates as a grant making foundation having been substantially endowed by retired GP and medical entrepreneur Dr Peter Sowerby. From the proceeds of the endowment income, the charity aims to give expression to the passions and interests of Dr Sowerby and his late wife, Ann, for public benefit.

Under the charity's Articles of Association the trustees have the power to pay or apply the capital and income of the Trust Fund to or for such exclusively charitable objects or purposes in any part of the world as the trustees may in their discretion determine. At the present time the trustees' primary aim is to make grants to other UK registered or exempt charities and in particular charities falling within the categories of:

- a) Medical/health/sickness
- b) Relief of poverty
- c) Community and environment

In their policies and decision making, the trustees typically favour innovative and catalytic projects, which hold the potential to influence policy and practice elsewhere.

The powers of the charity to make charitable donations have been drawn widely so that a diverse range of worthy charitable recipients are able to benefit. Trustees meet at regular intervals to review the parameters of their grant making policies and programmes and to agree a programme of ongoing grants.

**Public benefit**

The trustees have paid due regard to Public Benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees contribute to the management of the charity on a voluntary basis. The charity has recently engaged third-party experts to review and monitor projects of a complex or technical nature, who provide advice on a voluntary or expenses-only basis (2017: 2 volunteers). The charity does not directly manage any other volunteers at the present time.

**Internal controls**

It is the trustees' opinion that internal controls have been established that are appropriate for the level of activity carried out by the charity during the period. The trustees approve all grants awarded, and payments are only made with the written authority of two trustees. All expenditure is also approved by a minimum of two of the trustees before payment is made.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Achievements and performance**

The period 2016/17 represents the fifth year of significant grant-making activity for the Peter Sowerby Foundation and its predecessor legal entity. Following on from the major multi-year awards agreed during the first two years - particularly in the field of primary healthcare - a number of new grant awards have been made across all identified grant areas.

For the time being, it is the trustees' policy not to solicit requests for funding or to operate any open application programmes. This policy was reviewed in 2017 in regard to increasing applications in primary healthcare. The trustees are evaluating other approaches to increase the scope and impact of its primary care objectives, and these will be brought forward in the next period.

The trustees obtain grant programme advice from their independent grant advisors, Cause4, and also use their own networks to seek out suitable funding opportunities for the Foundation which fall within the agreed criteria. Formal applications are then invited from chosen organisations which are assessed in detail and the relative merits considered against the agreed criteria before any grants are awarded. The trustees have reviewed their risk-based processes for assessing new grants in order to free up capacity to invite and examine more innovative programmes in healthcare.

During the year, further work was undertaken to refine its criteria and select programmes that are distinctive and generate real impact within their fields of activity. In particular, the Foundation has developed further its criteria in Education to distinguish its investment in medical education and philosophy for children.

The trustees have reason to be satisfied with the performance of the charity which has maintained a high level of activity in adherence to its grant-making policies. Funding levels are in line with budget and high caliber projects have generally achieved the outputs required for public benefit.

The market value of the Foundation's financial investments at the end of September 2017 (which excludes bank deposit balances) was £36,983,511 (2016: £34,208,993), an increase of £2,774,518 after market movements, grants made, fees and operational expenses. There were no significant changes in the Foundation's investment objectives, constraints or policies in the course of the year, although these are regularly reviewed.

A full list of the grants awarded during the period is shown in note 7 to these accounts. Notable grants awarded during 2016/17 have included:

**Autistica**

A grant of £454,256 over three years was awarded to enable the provision of financial and advisory support for the Sowerby Health Intervention for Autistic People (SHAPE) study. Co-ordinated by Jon Spiers and Dr James Cusack with a consortium of university researchers, the study will facilitate annual GP health checks for autistic adults to improve primary health access and address mortality and co-morbidities of people with autism and other cognitive conditions.

**CLIC Sargent**

A grant of £214,345 was awarded over three years for CLIC Sargent's 'Thrive, not just survive' programme in Yorkshire. The grant will ensure that the CLIC Sargent care teams are on hand to support young cancer patients emotionally, building their resilience so that they can continue to learn, regain their confidence and self-belief and be inspired to think beyond cancer. CLIC Sargent's social care teams in Sheffield and Leeds work with schools helping students keep in touch with friends, organising work at home or helping schools prepare for when the child goes back to school. This is intended to minimise the disruption that cancer has on their education, social life and future prospects.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Hospice UK (formerly Help the Hospices)**

A grant of £184,750 was awarded to Hospice UK to enable a feasibility study and the development of a proof of concept for 'Hospice Data: Making the case for hospice care'. The programme will capture the reach and scale of hospice care, both in hospices and in home-based community care, developing the first UK-wide evidence base for hospice care. This is aimed at enabling Hospice UK, hospices and local and national commissioners to drive better outcomes for more people at the end of life, as well as their families and carers.

**Shared Assets**

Following a successful research and development scoping exercise, Shared Assets was awarded a follow-on grant of £104,275 to continue the development of Land Explorer, a free-to-use map-based platform that will help people who are trying to use land for the common good, which has successfully integrated new sources of data from government.

**Papworth New Hospital**

A grant of £80,000 was awarded for the installation of a newly commissioned artwork by Sigune Hamann in the new hospital's Outpatients and Critical Care Area at the Cambridge Biomedical Campus. The seriousness of patients' diagnoses and the treatments undertaken in this area of the hospital cause an understandably high level of anxiety and these pieces of artwork are intended to positively impact on patients' well-being, and improve the experience of family and staff.

**Action for Stammering Children**

A grant of £26,900 over one year towards 'Talking Out', a residential for 20 children (the majority of which are residents for children) with moderate to severe stammering at Beverley Park, North Yorkshire. Co-funded within a larger Comic Relief grant, the cohort studies are intended to investigate the effect of building a child's confidence to 'have a go' over technical speech therapy in the overall improvement of speech.

**Goathland Community Hub**

A grant of £16,960 to complete the fit out of the heritage and library facilities at the community hub and sports pavilion in Goathland, benefiting local residents and visitors interested in Goathland and its culture.

**Youth music in Yorkshire**

Continuing support for scholarships and public engagement in rural and deprived inner-city communities through grants to: National Youth Jazz Orchestra (£14,764) and National Youth Choir of Great Britain (£18,500).

**Friends of Kipkelion**

An award of £10,000 towards a DfID-funded education programme, seeking to introduce an alternative rites of passage to prevent Female Genital Mutilation (FGM) in Kipkelion, Kenya.

**Yorkshire Arboretum**

The Foundation supported planning and feasibility work for the further development of the Arboretum, providing £14,395 towards business consultants to explore the economics of a new Tree Health Centre and related enterprises to address tree diseases and pests which are now having significant economic, ecological and aesthetic impacts in the UK.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Future plans**

The trustees will continue to seek out new opportunities within the Foundation's stated areas of interest. In particular, the Foundation will be looking to support innovative and challenging projects in the field of primary healthcare, which remains the Foundation's principal area of interest. Over time, the Foundation will gain more insight into the long-term impact of the supported projects and will seek to replace the grants that have concluded with new initiatives of the same scope and quality.

**Financial Review**

**Financial overview**

The assets of the charity comprise investments, the returns from which are used to finance the grants awarded in accordance with its objectives. The net incoming resources of the charity for the year ended 30 September 2017 and the financial position at that date are set out in the financial statements which follow.

During the year the charity received investment income of £845,630 (2016: £794,960) and donations of £775,290 (2016: £250,040) from which grants were awarded of £1,061,442 (2016: £611,719). The charity had a surplus before revaluations of £180,860 (2016: £120,696). At the year end the market value of the investments had risen giving rise to an unrealised revaluation gain of £2,422,727 (2016: gain of £4,273,701). This left a net movement in funds for the year of £2,929,840 (2016: £4,600,734). Total funds carried forward at 30 September 2017 were £36,778,318 (2016: £33,848,478).

**Investment policy and performance**

Management of the charity's investments is delegated to Quilter Cheviot Ltd and Seven Investment Management LLP under discretionary agreements, with independent investment consultancy provided to the trustees by Aspinalls Family Office LLP. The investment strategy is agreed between the trustees, their consultants and the investment managers and is set out in a detailed Investment Policy Statement which forms an integral part of the agreement with the investment managers. This policy is reviewed annually by the trustees. The trustees are guided by their consultants and the portfolio is invested with a long term time horizon in order to protect the Foundation's grant making ability into the future. The aim of the strategy is to achieve the trustees' target return taking into account current market conditions. During the year, the trustees adopted a 'total return' strategy for the investment portfolio and adjusted the balance of cash and equity holdings. Fixed interest investments and equities are the principal instruments held, but other asset classes may be used. There are presently no ethical or environmental restrictions currently imposed by the investment policy. The trustees have moved to review this in the next period.

The investment managers provide quarterly reports including analysis of returns compared to the agreed benchmarks and general market issues and meet with the trustees at regular intervals. The trustees' investment consultants report to them independently of the investment managers.

**Reserves Policy**

It is the trustees' policy that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level of £500,000 plus the value of all existing forward grant commitments. The trustees consider that reserves at this level would enable the Foundation to maintain its level of desired activities in the event of a significant reduction in income. This level of reserve has been maintained throughout the period and the policy is reviewed annually by the trustees.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Structure, governance and management**

The charity was originally established by a charitable trust deed on 19 August 2008 as The Peter Sowerby Charitable Foundation but was then dormant until January 2011 when charitable registration was secured (Charity No 1139854) and the first donation was made by the settlor. During 2012, the trustees agreed that the charity should become incorporated as a charitable company limited by guarantee. The Foundation was registered as a charitable company at Companies House on 17 April 2013 (Company no. 08492424, Charity no. 1151978).

The trustees who served during the period are shown on page 1 of the accounts.

The members are trustees of the charity and directors of the company and new members are approved by resolution of the existing trustees. One of the founding trustees, Dr Peter Sowerby, is the Settlor of the Foundation and, as in prior years, has generously made gifts of publicly listed shares to the charity which are reflected in note 2 to the accounts.

On 1 March 2018, Dr Peter Sowerby stepped down as a trustee. The trustees wish to place on record their great appreciation of Dr Sowerby's seminal contribution to, and generosity towards, the Foundation and an acknowledgement of his considerable achievements in a distinguished career in primary care and health informatics. The trustees have moved to further review the Foundation's structure in the coming period in order to ensure the passions and ethos of Dr Sowerby - particularly in his central field of primary care innovation - are properly reflected in the Foundation's future direction.

The skills and composition of the Board are kept under review and, if additional trustees are required, steps are taken via open recruitment to seek new members with relevant skills and experience. Newly appointed trustees are provided with all relevant information appertaining to the charity and its affairs in order that they have a sufficient level of knowledge to enable them to perform their roles effectively. This includes an induction programme, meetings with individual trustees along with updates, briefing papers and the charity's policies, annual reports and financial statements for the previous three years. Trustees are encouraged to meet regularly with prospective and existing beneficiaries of the Foundation's grants.

All trustees are kept up to date with ongoing developments in charity law and practice, and there are opportunities to attend training in charity management and to attend meetings and conferences related to the charity's main grant making areas.

On 17 March 2017 the Foundation was pleased to confirm the appointment of Professor Carole Longson MBE, formerly Executive Director and Board Member at the National Institute for Health and Care Excellence (NICE) who will shortly take up the post of Chief Scientific Officer at the Association of the British Pharmaceutical Industry (ABPI). The Foundation looks forward to benefitting from Carole's expertise in pharmacology and health technology assessment, as well as her broader interests in citizen science, arts and the natural environment.

The trustees have assessed, and regularly review, the risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks identified.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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As required, advice and support is obtained from the charity's professional advisers, including investment managers, solicitors and accountants. The day to day management of the charity's affairs, along with the implementation of its policies, is delegated to Cause4 Limited, a philanthropy and social enterprise consultancy (grant making and strategy development), and Aspinalls Family Office LLP (financial planning, book keeping, grant administration and payments, and general administration). Aspinalls Family Office LLP also provides independent investment consultancy services to the trustees.

**Trustees' responsibilities statement**

The trustees (who are also directors of Peter Sowerby Foundation for the purposes of company law) are responsible for preparing the Trustees' report 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 operation.

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

**Disclosure of information to auditors**

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

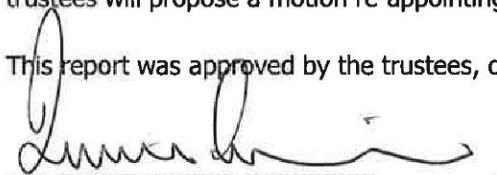
**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Auditors**

The auditors, Creaseys Group Limited, have indicated their willingness to continue in office. The Designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by the trustees, on 14/06/18 and signed on their behalf by:



**Mr D B H Aspinall**  
Chairman

# **PETER SOWERBY FOUNDATION**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETER SOWERBY FOUNDATION**

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#### **Opinion**

We have audited the financial statements of Peter Sowerby Foundation (the 'charity') for the year ended 30 September 2017 set out on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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.

#### **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **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.

**PETER SOWERBY FOUNDATION  
(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETER SOWERBY  
FOUNDATION**

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**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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETER SOWERBY  
FOUNDATION**

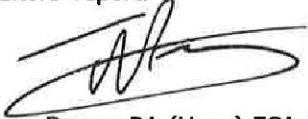
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**Auditors' responsibilities for the audit of the financial statements**

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



James Pearce BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

**Creaseys Group Limited**

Chartered Accountants  
Statutory Auditors

Brockbourne House  
77 Mount Ephraim  
Tunbridge Wells  
Kent  
TN4 8BS

Date: 27/6/18

Creaseys Group Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
 EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	Unrestricted funds 2017 £	Unrestricted funds 2016 £
<b>Income from:</b>			
Donations	2	775,290	250,040
Investments	3	845,630	794,960
<b>Total income</b>		<u>1,620,920</u>	<u>1,045,000</u>
<b>Expenditure on:</b>			
Raising funds		224,303	149,019
Charitable activities:			
Other charitable activities		1,165,824	726,822
Governance		49,933	48,463
<b>Total expenditure</b>	4	<u>1,440,060</u>	<u>924,304</u>
<b>Net income before investment gains</b>		180,860	120,696
Net gains on investments		2,748,980	4,480,038
<b>Net income before other recognised gains</b>		<u>2,929,840</u>	<u>4,600,734</u>
<b>Net movement in funds</b>		2,929,840	4,600,734
<b>Reconciliation of funds:</b>			
Total funds brought forward		<u>33,848,478</u>	<u>29,247,744</u>
<b>Total funds carried forward</b>		<u><u>36,778,318</u></u>	<u><u>33,848,478</u></u>

The notes on pages 15 to 25 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08492424**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017**

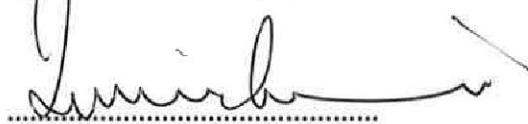
	Note	£	2017 £	2016 £
<b>Fixed assets</b>				
Investments	11		37,949,946	35,194,317
<b>Current assets</b>				
Debtors	12	108,562		52,312
Cash at bank and in hand		859,026		684,750
		967,588		737,062
<b>Creditors: amounts falling due within one year</b>	13	(596,084)		(742,658)
<b>Net current assets/(liabilities)</b>			371,504	(5,596)
<b>Total assets less current liabilities</b>			38,321,450	35,188,721
<b>Creditors: amounts falling due after more than one year</b>	14		(1,543,132)	(1,340,243)
<b>Net assets</b>			36,778,318	33,848,478
<b>Charity Funds</b>				
Unrestricted funds	15		36,778,318	33,848,478
<b>Total funds</b>			36,778,318	33,848,478

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 14/06/18 and signed on their behalf, by:



**Mr D B H Aspinall**  
**Chairman**

The notes on pages 15 to 25 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	(338,452)	(1,169,637)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		845,630	794,960
Proceeds from sale of investments		2,515,176	4,608,212
Purchase of investments		(2,848,078)	(4,917,872)
<b>Net cash provided by investing activities</b>		512,728	485,300
<b>Change in cash and cash equivalents in the year</b>		174,276	(684,337)
Cash and cash equivalents brought forward		684,750	1,369,087
<b>Cash and cash equivalents carried forward</b>	17	859,026	684,750

The notes on pages 15 to 25 form part of these financial statements.

**PETER SOWERBY FOUNDATION**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**1. Accounting policies**

**1.1 Basis of preparation of 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.

Peter Sowerby 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.

**1.2 Company status**

The charity is a private company limited by guarantee which is incorporated and domiciled in England and Wales. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**1.4 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**1. Accounting policies (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating income and expenditure account.

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**1. Accounting policies (continued)**

**1.10 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. Donations**

	<b>Unrestricted funds 2017</b>	<b>Unrestricted funds 2016</b>
	£	£
Donations	775,290	250,040
<b>Total 2016</b>	<hr/> <hr/> <hr/> <b>250,040</b>	<hr/> <hr/> <hr/>

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**3. Investment income**

	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Dividends receivable	784,962	731,727
Interest receivable	60,668	63,233
	<hr/>	<hr/>
	845,630	794,960
	<hr/>	<hr/>
<b>Total 2016</b>	<b>794,960</b>	<b><hr/></b>

**4. Analysis of Expenditure by expenditure type**

	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on investment management (note 5)	224,303	224,303	149,019
<b>Costs of generating funds</b>	<b>224,303</b>	<b>224,303</b>	<b>149,019</b>
Grants awarded (note 6)	1,061,442	1,061,442	611,719
Support costs (note 9)	104,382	104,382	115,102
<b>Charitable activities</b>	<b>1,165,824</b>	<b>1,165,824</b>	<b>726,821</b>
<b>Expenditure on governance (note 9)</b>	<b>49,933</b>	<b>49,933</b>	<b>48,463</b>
	<hr/>	<hr/>	<hr/>
	1,440,060	1,440,060	924,303
	<hr/>	<hr/>	<hr/>
<b>Total 2016</b>	<b>924,304</b>	<b>924,304</b>	<b><hr/></b>

**5. Investment management costs**

	2017 £	2016 £
Investment management costs	170,396	158,428
Foreign exchange movement	53,907	(9,409)
<b>Total</b>	<b>224,303</b>	<b>149,019</b>

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**6. Analysis of grants**

	<b>2017</b> £	<b>2016</b> £
Grants awarded	1,061,442	611,719

**Reconciliation of grants payable**

	<b>2017</b> £	<b>2016</b> £
Accrued as at 1 October 2016	2,047,516	2,723,898
Grants payable for the year (Note 7)	1,061,442	611,719
Grants paid during the year (Note 8)	(1,041,539)	(1,345,800)
Interest released on discounting	40,314	57,699
Accrued at 30 September 2017	2,107,733	2,047,516

**Payable as follows**

	<b>2017</b> £	<b>2016</b> £
Grants payable <1 year	564,601	707,273
Grants payable >1 year	1,543,132	1,340,243
	2,107,733	2,047,516

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**7. List of grants awarded in the year**

<b>Name of institution/grant</b>	<b>Grant description</b>	<b>2017</b>	<b>2016</b>
		£	£
Autistica	Medical	415,567	-
AESOP	Medical	-	31,472
CLIC Sargent		202,501	-
Field in Trust	Community and Environment	-	20,000
Yorkshire Arboretum	Community and Environment	14,395	-
Friends of Kipkelion		10,000	-
Goathland Community Hub	Community and Environment	16,690	-
Grants to be refunded	Community and Environment	-	(26,075)
Help the Hospices	Community and Environment	184,750	-
Multiple Sclerosis Society	Medical	-	319,453
National Youth Choirs of Britain	Community and Environment	18,500	6,000
National Youth Jazz Orchestra	Community and Environment	14,764	-
Papworth Hospital	Medical	80,000	-
SAPERE	Medical	-	63,485
Shared Assets (2 grants)	Community and Environment	104,275	51,800
Target Ovarian Cancer	Medical	-	50,000
The Crescent		-	10,000
The Economist Education Foundation	Community and Environment	-	40,350
The Reading Agency (3 grants)	Community and Environment	-	45,234
Total grants awarded during the year		1,061,442	611,719

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**8. List of grants paid in the year**

	<b>2017</b>	<b>2016</b>
	£	£
AESOP	31,472	36,880
CLIC Sargent	35,038	-
Field in Trust	-	20,000
Goathland Community Hub	16,690	-
Help the Hospices	-	65,000
Hospice	100,000	-
Imperial College	297,739	465,379
Kings College London & Kings Health Practitioners	129,050	119,712
Marie Curie Cancer Care	-	114,000
Multiple Sclerosis Society	82,775	27,364
National Youth Choirs of Great Britain	-	6,000
National Youth Jazz Orchestra	14,764	-
Papworth Hospital	40,000	-
Renewable World	-	26,456
Royal Botanical Gardens, Kew	66,728	49,411
Royal Horticultural Society	-	70,653
SAPERE	17,974	19,015
Shared Assets	144,075	12,000
Target Ovarian Trust	-	50,000
The Crescent	10,000	-
The Economist Education Foundation	-	40,350
The Friends of Kipkelion	10,000	-
The Reading Agency	45,234	57,000
University of Cape Town	-	166,580
Total grants paid in the year (note 6)	<b>1,041,539</b>	<b>1,345,800</b>

Grants payable include the value of grant agreements signed in the period as well as the remaining commitments not previously recognised in the accounts of the Peter Sowerby Foundation. These commitments are scheduled for payment over a number of years and commitments still to be paid at the end of the year are included in amounts outstanding and are shown in the note 6 above.

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**9. Analysis of resources expended**

	<b>Governance costs</b> £	<b>Support costs</b> £	<b>2017</b> £	<b>2016</b> £
Auditors' remuneration	4,116	-	4,116	3,997
Auditors' non-audit costs	6,576	-	6,576	8,730
Professional fees	37,602	-	37,602	34,401
Trustee insurance	1,342	-	1,342	1,336
Trustee away-day	297	-	297	-
Bank charges	-	143	143	422
Professional fees in support of grant programme	-	63,925	63,925	56,980
Interest on discounting of grant commitments	-	40,314	40,314	57,699
Total 2017	49,933	104,382	154,315	163,565
Total 2016	48,463	115,102		163,565

**10. Net income**

This is stated after charging:

	<b>2017</b> £	<b>2016</b> £
Auditors' remuneration - audit	4,116	3,996

During the year, no trustees received any remuneration (2016 - £NIL).

During the year, no trustees received any benefits in kind (2016 - £NIL).

1 trustee received reimbursement of expenses amounting to £710 in the current year, (2016 - 1 trustee - £767).

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**11. Fixed asset investments**

	<b>UK Listed securities</b>	<b>Cash</b>	<b>Total</b>
<b>Market value</b>			
At 1 October 2016	34,208,993	985,324	35,194,317
Additions	2,414,380	433,698	2,848,078
Disposals	(2,062,589)	(398,680)	(2,461,269)
Foreign exchange movement	-	(53,907)	(53,907)
Revaluations	2,422,727	-	2,422,727
At 30 September 2017	<u>36,983,511</u>	<u>966,435</u>	<u>37,949,946</u>
<b>Historical cost</b>			
	<u>30,958,415</u>	<u>985,323</u>	<u>31,943,738</u>

**Investments at market value comprise:**

	<b>UK</b> <b>£</b>	<b>Overseas</b> <b>£</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Listed investments	15,769,452	21,214,059	36,983,511	34,208,993
Cash	966,434	-	966,434	985,324
Total market value	<u>16,735,886</u>	<u>21,214,059</u>	<u>37,949,945</u>	<u>35,194,317</u>

**Valuation**

All investment assets are shown at market value on the Balance Sheet date.

**12. Debtors**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Tax recoverable	<u>108,562</u>	<u>52,312</u>

**13. Creditors: Amounts falling due within one year**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Accruals	31,483	35,385
Grants accrued (see Note 6)	564,601	707,273
	<u>596,084</u>	<u>742,658</u>

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**14. Creditors: Amounts falling due after more than one year**

	<b>2017</b> £	<b>2016</b> £
Grants accrued (see Note 6)	1,543,132	1,340,243

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**15. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 October 2016</b> £	<b>Income</b> £	<b>Expenditure</b> £	<b>Gains</b> £	<b>Balance at 30 September 2017</b> £
<b>Unrestricted funds</b>					
General Funds	33,848,478	1,620,920	(1,440,060)	2,748,980	36,778,318

The general fund is held for the charity to use for future grants which the trustees find to be in line with the aims and objectives as set out in the trustees report.

**Statement of funds - prior year**

	<b>Balance at 1 October 2015</b> £	<b>Income</b> £	<b>Expenditure</b> £	<b>Gains</b> £	<b>Balance at 30 September 2016</b> £
<b>Unrestricted funds</b>					
General Funds	29,247,744	1,045,000	(924,304)	4,480,038	33,848,478

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2017</b> £	<b>2016</b> £
Net income for the year (as per Statement of Financial Activities)	2,929,840	4,600,734
<b>Adjustment for:</b>		
Increase in debtors	(56,250)	(27,500)
Increase/ (decrease) in creditors	56,315	(674,210)
Revaluation of fixed assets	(2,422,727)	(4,273,701)
Returns on investments and servicing of finance	(845,630)	(794,960)
<b>Net cash used in operating activities</b>	<b>(338,452)</b>	<b>(1,169,637)</b>

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**17. Analysis of cash and cash equivalents**

	<b>2017</b> £	<b>2016</b> £
Cash in hand	859,026	684,750
	<hr/> <hr/> 859,026	<hr/> <hr/> 684,750

**18. Related party transactions**

The trustee Mr D Aspinall is a Member of Aspinalls Family Office LLP, to which the charity paid £161,298 (2016: £134,655) for professional fees relating to the provision of financial planning, book keeping, grant administration and payments, and general administration during the period. Aspinalls Family Office LLP also provides independent investment consultancy to the Trustees.

During the year a grant of £18,500 was awarded to the National Youth Choirs of Great Britain, a charity in which Mr D Aspinall is a Trustee.

There are no assets or liabilities held by related parties at the Balance Sheet date.