

**Marshall's Charity**

*Charity No. 206780*

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## **Consolidated Financial Statements**

for the year ended 31st December 2016

# Marshall's Charity

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TRUSTEES (are appointed by resolution of the remaining Trustees for a term of 5 years)

- Mr C G Bird FCA (Chairman)  
# ☼ ☉ Mr S Clark TD BSc FCIB Chartered FCSI(HON) (Vice Chairman)  
☼ λ Mrs A Nicholson MA MPhil MRTPI  
λ Mrs G M F Isaac  
☉ Mr W D Eason MA FCSI  
+ Mr J A N Heawood MSc MRICS  
Ms S Malhotra MA  
+ Revd J Rust BSc MA  
+ Mr A P Guthrie TD DL BSc FRICS  
# ☼ λ Mrs L Bosman BSc ACA  
+ Mr A Moss MA FRSA  
☉ Ms R Martin BA MA MCIM ChFCIPD (resigned 26 January 2017)  
Mr C E R Ledsam FCIS

- + Member of the Property Management Committee  
# Member of the Audit Committee  
☼ Member of the Trustee Selection Committee  
☉ Member of the Remuneration Committee  
λ Member of the Grants Committee

#### OFFICERS

Ms C M de Cintra BA ACA Clerk to the Trustees  
Mr J D Hutchings DipBS FCAbe FRICS Surveyor

#### PRINCIPAL OFFICE

Marshall House, 66 Newcomen Street,  
London SE1 1YT

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e-mail: catherine@marshalls.org.uk  
web: www.marshalls.org.uk

#### BANKERS

Barclays Bank plc  
90/92 High Street  
Crawley, West Sussex RH10 1YX

CAF BANK  
PO Box 289, West Malling,  
Kent ME19 4TA

#### SOLICITORS

Cripps LLP  
Wallside House, 12 Mount Ephraim Road  
Tunbridge Wells, Kent TN1 1EG

Winckworth Sherwood  
Minerva House, 5 Montague Close  
London, SE1 9BB

#### STATUTORY AUDITOR

haysmacintyre  
26 Red Lion Square  
London WC1R 4AG

#### INVESTMENT MANAGERS

CCLA  
Senator House, 85 Queen Victoria Street  
London EC4V 4ET

Schroder & Co. Limited  
100 Wood Street,  
London EC2V 7ER

## 1. OBJECTIVES AND ACTIVITIES

### Purposes of the Charity

The Charity was formed in 1631 on the death of John Marshall, a baker in Southwark. In his Will, after making provision for his family and friends, he left the balance of his modest estate to Trustees to be used for various charitable purposes. Although these have evolved slightly over the centuries, they are still primarily focused on "the continuance and maytenance of the preaching of God's holy word in this Lande forever". Today, these purposes are:-

- a) to support as Patrons the parish church of Christ Church, Southwark;
- b) to make grants for the support of parsonages to dioceses of the Church of England and the Church in Wales;
- c) to make restoration and repair grants to Anglican churches in the three counties of Kent, Surrey and Lincolnshire as those counties were defined in 1855; and
- d) 4% of the net income is made available to Marshall's Educational Foundation which makes grants for educational purposes in Stamford and Southwark.

The Charity is funded solely from this endowment.

### Public Benefit

The objects and purposes of the Charity are set out in the first paragraph of this report. The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

### Activities

The affairs of the Charity are separated into two principal areas and this is reflected on the Statement of Financial Activities ("SOFA") on page 12. The two principal areas are Investment Management and Grant-making. These are explained in more detail below.

For many years, the Charity has shared its offices and costs with Newcomen Collett Foundation, another grant-making charity. The income received from them and the costs incurred are virtually equal and are shown separately in Notes 15 and 17 of the accounts.

#### A) Investment Management

As an Endowed Charity one of the primary tasks of the Trustees is to manage the investment assets. The Trustees have adopted a policy of prudent diversification in relation to the investments and as such hold the investments in both property and equity assets. The current strategy is to hold assets in the ratio of 80:20 between property and securities.

During the year the investment strategy was reviewed. The Trustees agreed to move gradually from direct real estate to a portfolio of no more than 10 properties with a total valuation of approximately £8m. Funds released from the sale of real estate will be invested in a mix of property funds and mixed securities funds. Change will be gradual over the next five years.

##### ➤ Property

Approximately 75% of the endowment is currently invested directly in property. The portfolio is diversified by size, location and class. Over recent years the property investment strategy has required the Charity to reduce its interests in secondary and tertiary retail and to increase its holdings in industrial and warehousing units, principally in Central England.

Following the disposal of a property in 2014 the Charity struggled to locate suitable properties for reinvestment and so in October 2014 the Trustees decided to invest £1m of the proceeds into a Managed Property Fund. This has enabled the Charity to gain exposure to a different class of asset, and the Trustees are pleased with the increased diversification of the portfolio and the performance of the Fund.

The Charity's property portfolio is actively managed by the Charity's Surveyor, and he is supported by the Property Committee.

##### ➤ Securities

Approximately 25% of the endowment is invested in securities. The majority of these funds are divided between the Charity Multi-Asset Fund managed by Schroder & Co. Limited, the Witan Investment Trust and the CCLA COIF Charities Property Fund. There are also smaller amounts placed in other investment funds.

## **B) Grant-making**

There are four current major categories of benefit as set out in the opening paragraph of our Report. The Marshall's Charity Act 1855 also introduced provision for grants for building new churches. These were made particularly in the 19<sup>th</sup> Century and again in the 1930s. However no grants have been made since 1993 and the Trustees now believe that any grant made in this area would not be material to the overall cost of a new church and that their grants are more effectively directed to the other areas of benefit.

Each year, when approving the budget, the Trustees first decide how much to make available for the costs associated with Christ Church, Southwark. Then, after making adequate provision for the grant to Marshall's Educational Foundation, the Trustees decide how to split the available balance between grants for the Support of Parsonages and those for Restoration of Churches. This is considered carefully as the claims of both areas are strong. In recent years the Trustees have directed approximately 75% of the balance to Parsonages and 25% to Churches and have maintained this pattern in the current year.

During the year the Trustees reviewed grant making activities and agreed a new system for the future. They supported a proposal to increase the focus of the grant-giving activities on the three historic counties of Surrey, Kent and Lincolnshire, which are the only areas where they are able to award grants for churches and parsonages. The reasons for this are historic –the areas being those most closely associated with John Marshall. These areas are broadly coterminous with the current Dioceses of Lincoln, Canterbury, Rochester, Guildford and Southwark. The Trustees intend to award a relatively small number of large value grants in these areas to increase the impact of the Charity's grants. Funds will still be available for the support of parsonages in the other dioceses and will also be applied in giving larger grants to a fewer number of projects. The new system will be trialled for two years in 2018 and 2019 and then reviewed. Security grants will continue to be available to all dioceses.

### **➤ Christ Church**

As stated in the Objectives of the Charity, the Charity holds the patronage of Christ Church Southwark. Christ Church is the first item in John Marshall's Will and as such the Trustees regard supporting Christ Church as their primary responsibility. They exercise this duty by providing administrative and financial support to the church. The financial support includes meeting the stipend and pension costs of the Rector, and helping towards the employment costs of the Church Administrator and Facilities Manager. In addition the Clerk and Surveyor provide administrative support and guidance as required.

### **➤ Marshalls Educational Foundation**

John Marshall's Will provided for the university education of one young man from the Parish Grammar School in Southwark (now St Olave's & St Saviour's Grammar School in Orpington) or from Stamford School in Lincolnshire. The 1870 Education Act required the Charity to form a separate Foundation for administering these grants, and it was settled that 4% of the disposable income of Marshall's Charity would be paid to this Foundation annually.

Of the eleven Governors of Marshall's Educational Foundation, up to nine are appointed by Marshall's Charity and the Trustees are thus able to satisfy themselves that the affairs of the Foundation are efficiently administered. The Clerk of Marshall's Charity also administers the affairs of the Foundation. Currently four of the Governors are also Trustees of Marshall's Charity.

### **➤ Parsonages**

The amount designated for parsonage grants is divided into two parts. The majority of the funds are used to support the repair and maintenance of parsonage houses across the dioceses in the Church of England and the Church in Wales. The Charity calculates the amount of grant for each diocese when the annual budget is approved in January. Each diocese is then informed about their grant for the year and they have until 30 September to report on how the funds have been applied. The Trustees confirm that the funds have been allocated to eligible projects and approve the grants for payment at their October board meeting.

The Surveyor visits a number of parsonage departments each year to understand how they are operating, to discuss strategy and to see examples of how previous grants have been used. At a national level we can clearly see that the standard of professionalism in these departments is rising and the use of computer systems to control the work and costs is more widespread.

The balance of the funds available for parsonage grants are made available to dioceses as security grants. Since the early 1990s the Trustees have been aware of the increasing danger to which clergy and their families are subject in their homes. Following discussions with the diocesan parsonage departments, it was clear that installation of burglar alarms, entry-phone systems and, in more dangerous situations, CCTV security systems, was needed in a large number of properties. For the last 18 years the Charity has earmarked part of its Support of Parsonage grant funds to be available for such schemes and have particularly encouraged dioceses which have programmes for wide scale installation. Grants are available by request to the Office and are awarded under Clerk's discretion.

The Charity also provides a small amount of funding to allow a very effective website and discussion forum to be provided to the Diocesan Surveyors' Group which allows the Diocesan Surveyors to exchange views and information on technical issues. The Trustees are particularly pleased that this Group has appointed John Hutchings to be their Convenor. John Hutchings has worked hard in the 22 years he has been with the Charity to build up stronger relationships with the diocesan property departments and this appointment is particularly gratifying to him and to the Trustees.

In 2015 a Central Purchasing Scheme for boilers was launched by the Church of England's National Procurement Team. The Trustees are pleased that this project has come to fruition through the efforts of John Hutchings and the Diocesan Surveyors' Group, and hope that further items will be added to the Scheme over future years.

#### ➤ Churches

Church Restoration Grant Applications can be submitted at any time and are reviewed by the Grants Committee who shortlist applications to proceed to the second stage of the process. The Surveyor visits the shortlisted churches and provides detailed reports for the Trustees. Grants are then agreed by the whole board of Trustees at one of their meetings.

The guidelines for Church Grants were updated in 2014. The Trustees agreed that the reason they award grants is to enhance the ministry and mission of the church. While the grant must be used for building works, the Trustees take account of the life of the church and its outreach when assessing applications. The Trustees also wish to encourage green projects such as installing heating systems based on renewable technologies or microgeneration of electricity. Such applications would be considered for the maximum possible grant. Under the terms of the Governing Document grants to churches are limited to a maximum of £20,000 each.

## 2. ACHIEVEMENTS AND PERFORMANCE

### Achievements

2016 was a busy and successful year for the Charity. The property investments have performed particularly well producing more income than last year, which in turn outperformed previous years. The ministry and mission of Christ Church have been growing under the leadership of the Reverend Jonathan Coore who was appointed in 2014. The Trustees are encouraged by the quality of applications for parsonage and church grants received by the Charity.

The various achievements are explored in more detail below.

#### A) Investment Management

##### ➤ Property

The Trustees are pleased that the property portfolio performed well in 2016, as it did in 2015. At the start of the year the portfolio was fully let except for one office suite. By the end of the year, two office suites were vacant. Another tenant has currently vacated its property whilst asbestos has been removed. Several properties now generate higher rents for new leases or from rent reviews.

The Trustees decided to invest a further £500,000 in the Managed Property Fund.

Because the asset mix of the Charity's property portfolio is essentially of secondary property, it is not possible to monitor its performance against any published indices. However, the Trustees do note the movement on the IPD Index which, although mainly concerned with prime properties, does indicate general levels in property prices. We are pleased to report that the Charity's property portfolio has moved in line with the IPD index over the past ten years.

##### ➤ Securities

The equity investments have performed very well, reflecting trends in the global stock markets. Dividends have increased substantially on the previous year.

Investment Managers provide regular reports on the performance of their funds, and the Trustees review the performance of their investments on a quarterly basis. The Trustees also meet the Fund Managers for each investment fund at least once every three years. The performance of the Charity's investments is compared to the WM Index and to the individual fund's own benchmarks.

#### B) Grant-making

The Trustees are confident that their grant-making policies are enabling the Charity's funds to be used to the benefit of ministry and mission of the Anglican Church in England and Wales. Since John Marshall's death his Will has created grants worth over £68 million at current prices. The Trustees are proud of this history and are reminded of the responsibility they have for the stewardship of the legacy.



The Charity maintains a full grant history of the Charity, and the summary below shows the grants up to and including 31 December 2016:

Type of grant	Grants made £000s	Grants made – at current prices £000s	Number of grants made
Alarm systems	570	793	
Other Parsonage grants	13,812	41,591	
Total Parsonage grants	14,382	42,384	
New Churches	657	10,691	
Restoration of Churches	7,035	16,374	
<b>TOTAL</b>	<b>22,074</b>	<b>69,449</b>	

In 2004 the Charity decided to transfer all its historic records to the safe-keeping of the London Metropolitan Archives, where they are both secure and available to the general public who may be interested.

A more detailed discussion of the achievements of the year follows.

#### ➤ Christ Church

Under the leadership of the Reverend Jonathan Coore, the Rector of Christ Church, the mission and ministry of the church is growing. He has continued to allow members of the congregation to take on new responsibilities. He has also continued to focus on welcoming children and families, having introduced a children's area in the worship space; the Sunday School is flourishing. A prayer room is open every day offering a place of peace and quiet in the midst of London's hustle and bustle.

One of the challenges for the PCC is the number and scale of proposed developments in the immediate area around the church. This requires time-consuming consultation and negotiation with planning consultants as well as conversations with the Council, local organisations and the local community. The Trustees are supporting the PCC by attending meetings and recommending professional advisers. The Charity is also providing funding for professional advice when required.

As planning applications for the proposed developments are submitted in 2017 the Trustees look forward to working with, and supporting, the PCC through this time of change.

#### ➤ Marshalls Educational Foundation

The achievements of the MEF are detailed in the Annual Report of that Charity.

#### ➤ Parsonages

In 2016 the Charity awarded £549,680 in grants which was used to support the repair and maintenance of 128 parsonages (2015 - £386,902 for 115 parsonages). In addition the Charity awarded £15,011 to fund security systems across 46 parsonages (2015 – £13,462 for 45 parsonages).

#### ➤ Churches

The quality of applications received for church grants is generally of a high standard and the Trustees are confident that the Charity's funds are being directed to projects which will most benefit from support. The Grants committee met three times in 2016 and spent time scrutinising applications before shortlisting those projects which most clearly met the Charity's criteria. During the year the Charity made 28 grants to churches (2015 - 24) with a value of £184,652 (2015 - £166,500).

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### 3. FINANCIAL REVIEW

#### Review of Finances

The Trustees had agreed a budget showing a deficit of £127,215 for 2016. However, primarily due to the performance of the property portfolio and investments in securities, the income has far exceeded the budget for the year. The resulting surplus before unrealised investment gains is £103,850. This increases to £878,075 after taking account of these unrealised investment gains.

Since 2008 the Trustees have adopted conservative budgets resulting in accumulated income reserves of approximately £890,206. The Trustees have therefore agreed a deficit budget for 2017 and will use reserves to increase the funds available for grants in 2017.

#### Reserves Policy

At 31 December 2016 Marshall's Charity held the following funds:

Endowment Fund	£ 18,594,199
Restricted Funds	£ 638,900
Unrestricted Funds	£ 827,471

The reserves policy of Marshall's Charity focuses on the level of free reserves. This excludes endowed funds, restricted funds, designated funds and unrestricted funds which are not readily realisable.

Marshall's Charity seeks to maintain free reserves to manage the risks to which the Charity is exposed in the course of its business. These include an unexpected drop in investment income due to adverse economic conditions. The recommended level of free reserves is reviewed annually as part of the budget process and takes account of the current risks facing the Charity. The Trustees consider that the level of free reserves for 2017 should be approximately £190,000.

At 31 December 2016 the level of free reserves was £520,000. The Trustees have therefore agreed to reduce the current level of free reserves. This will be achieved by increasing the amount of funds made available for grants in 2017.

#### Going Concern

Having reviewed the financial performance for the year, the budget for the year to 31 December 2017 and plans for future years, the Trustees confirm that the financial statements for the year to 31 December 2016 can be prepared on the going concern basis.

#### Investment Policy

The Trustees adopted an Investment Policy in 2013. This has been reviewed during the year as described earlier in the report. Currently the Trustees do not wish to impose any specific ethical investment policy; however potential investments are assessed to ensure congruence with the aims and ethos of the Charity.

#### Plans for the Future

The current purposes of the Charity on page 2 are derived from the expressed wishes of our Founder, John Marshall, and the Trustees intend to continue to pursue these objectives whilst always seeking to apply them to the changing needs of the Church in England and Wales.

Changes arising from the wide-ranging Strategic Review will begin to take further shape in 2017.

#### Risk

In 2013, the Clerk and the Audit Committee undertook an exercise to develop a new Risk Register which captures the key risks to the Charity. The Risk Register was adopted by the Trustees and is reviewed quarterly by the Trustees at their meetings. At each meeting the Trustees review the major risks to which the Charity is exposed and ensure that systems exist to minimise the impact of any of the risks on its future effectiveness.

As at 31 December 2016 the two major risks facing the Charity were:

- Additional costs arising from property due to unforeseen risks



- Significant loss of income due to adverse economic or political climate. The Charity is reliant on investment income to fund its running costs and grant-making activities. A significant loss of income would therefore have a major impact on the Charity's activities. This risk is managed through holding free reserves and the diversification of the investment portfolio. In addition staff and Trustees monitor economic and political trends.

#### **4. STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Documents & Trustees**

The Charity is governed under the terms of the Marshall's Charity Act 1855 as supplemented by subsequent Schemes of the Charity Commissioners. The legal name of the Charity is the Charity of John Marshall, although it is known as Marshall's Charity. Its Charity Registration Number is 206780.

All Trustees are members of the General Meeting of Trustees and are eligible for election to any Committee. Trustees are elected to serve for a five year period, and may be re-elected for subsequent five year periods. There are a maximum of 16 Trustees, all of whom are required to be members of the Church of England.

There are currently five committees: Property Committee, Audit Committee, Remuneration Committee, Grants Committee and Trustee Selection Committee. No Committee has delegated power to act without the authority of the General Meeting of Trustees. The Trustees have developed and approved formal terms of reference for all of these Committees.

##### **Trustee Selection & Training**

The Trustee Selection Committee meets as necessary to consider new appointments of Trustees. The Committee, consisting of the Vice Chairman and three other Trustees (see page 1), initially draws up profiles of the skill needs they believe necessary in prospective Trustees. Once these profiles have been agreed by the General Meeting of Trustees, Trustees are then invited to submit recommendations to the Committee. In addition, if appropriate, advertisements are placed in relevant magazines and journals. The Committee reviews the suggested names and applicants, and having short-listed suitable candidates, invites those people to attend a meeting of the Trustees as an observer. This gives potential candidates the opportunity to meet both Trustees and staff and to understand the administration of the Charity and what their role would be within it. If the candidates indicate that they wish their names to go forward then they are nominated for approval at the next meeting of the Trustees.

The Trustee Selection Committee did not meet in 2016.

There were 13 Trustees at the end of the year.

The Charity benefits from having many highly qualified and experienced Trustees who are also active in other charities. In keeping with the need to maintain the highest levels of governance, the charity encourages all Trustees to participate in training that is relevant and which will assist them in their roles. Through our membership of the Charity Finance Group and also from our Professional advisors, various courses are available in many of the specialist areas that affect the Charity. The Charity has two experienced professional staff in the persons of the Clerk and the Surveyor, and the Charity ensures that both of them undertake appropriate continuing professional education relevant to their needs. Both of them ensure that the relevant knowledge gained in this training is passed on to the Trustees.

##### **Audit Committee**

The Audit Committee, which currently consists of two Trustees (see page 1), meets twice a year with the auditor, and with the Clerk to the Trustees in attendance. These meetings are also joint meetings with the Audit Committee of Newcomen Collett Foundation. The staff manage the affairs of both charities, and many of the issues discussed are common to both charities. However any distinct areas of concern are dealt with as separate items.

One of the meetings is concerned with the planning of the audit to be carried out and identifying any areas of special interest which the Trustees wish to be examined by the auditor. The other meeting reviews the annual accounts and the outcome of the audit work. In the absence of the Clerk, the auditor also has the opportunity to report to the Trustees in confidence on any issues that might have arisen in their work with the staff.

##### **Property Committee**

The Property Committee currently consists of four Trustees (see page 1) who work with the Surveyor in monitoring property portfolio issues and examining investment opportunities. The Committee receives monthly reports from the Surveyor and meets regularly throughout the year to discuss activity and address issues. Members sometimes accompany the Surveyor on his visits to properties where they believe opportunities exist to increase the capital value of the investment.

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### **Remuneration Committee**

The principal function of the Remuneration Committee is to recommend to the General Meeting of Trustees any changes to staff salaries or terms and conditions they consider appropriate for the following year. The Committee consists of the Vice Chairman and two other Trustees (see page 1) and normally meets once a year. In view of the close working relationship, the Committee invites Newcomen Collett Foundation to nominate a representative to join them for their Meeting, and Mr Robin Lovell, the Chairman of the Foundation, joined them for the meetings in December 2015 and January 2017.

### **Remuneration Policy**

The Trustees are grateful for the commitment and enthusiasm of the Charity's staff. The Trustees take the view that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering the Charity's important work. In order to do this the Charity reviews its salaries on a regular basis and this is done through the Remuneration Committee. At its annual meeting the Committee receives a report from the Clerk on staff issues and performance, and then considers sector and national pay rates and conditions, and levels of inflation, before preparing its recommendations to the Trustees.

### **Grants Committee**

The Grants Committee consists of three Trustees, although meetings are open to all Trustees. The Committee is tasked with reviewing Church Restoration Grant applications and producing a shortlist of applications to proceed into the second stage of the application process.

### **Management**

The day-to-day management of the affairs of the Charity is delegated to the Clerk and the Surveyor. In October the existing Clerk, Mrs C Dawkins, left the charity after five years of dedicated service. The Trustees thank her for her time as Clerk and wish her well in her new appointment. She was replaced by Ms C de Cintra. The Trustees believe that the operation of a Charity with assets and income of this scale requires the management of professionally trained staff with its necessary costs. They are immensely grateful to both the Clerk and the Surveyor for their continued dedication to the work of the Charity and to Tina Scattergood for the able assistance she provides as Executive Officer. The continual changes in legislation and regulation place a heavy burden on the Charity, and the Trustees thank all the staff for their enthusiasm and commitment in dealing with the affairs of the Charity and supporting the Trustees so efficiently.

### **Governance**

As with the corporate world, the charity sector has recognised that good governance and transparency are key responsibilities in their relationship with the community they serve. Marshall's Charity seeks to ensure that it meets the highest standards in these areas consistent with the size of its operations and funds.

Detailed terms of reference are in place for the five committees referred to above. The Trustees rely greatly on the careful and thoughtful work undertaken by these committees which allows the General Meetings to deal more effectively with the many issues which are its concern.

In order to communicate the work of the Charity to both its beneficiaries and the wider community, the Charity has a website [www.marshalls.org.uk](http://www.marshalls.org.uk) which is regularly updated. This includes a Trustees' extranet which provides access to minutes of Trustees' meetings and other confidential information relating to the management of the Charity. The extranet is password protected and is only accessible to the Trustees and the staff of the Charity. Trustees have reported that they find this a very useful resource.

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**Statement of Trustees' Responsibilities**

The Trustees 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).

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

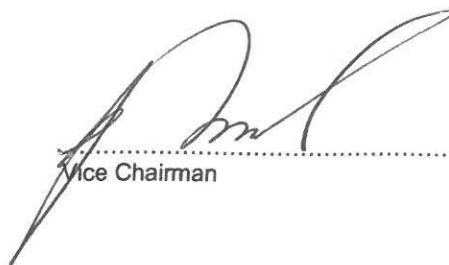
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. 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.

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

Signed on behalf of the Trustees on 27 April 2017



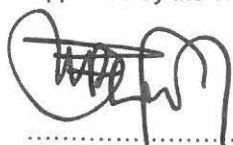
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Chairman



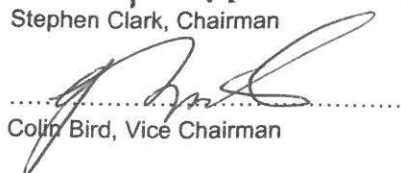
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Vice Chairman

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
<b>FIXED ASSETS</b>					
<b>Tangible Fixed Assets</b>	2	620,559	606,365	620,559	606,365
<b>Investments - General purposes</b>					
<i>Freeholds</i>	3	13,093,928	12,727,365	12,968,528	12,601,965
<i>Securities</i>	4	5,337,208	4,463,823	5,337,208	4,463,823
<i>Shares in subsidiary</i>	5	-	-	120,000	120,000
<b>Investments - Special purposes</b>	6	388,900	344,725	388,900	344,725
		<b>19,440,595</b>	<b>18,142,278</b>	<b>19,435,195</b>	<b>18,136,878</b>
<b>Current Assets</b>					
<i>Debtors and prepayments</i>	7	204,322	190,321	204,322	190,321
<i>Loans to churches</i>	8	-	-	-	-
<i>Cash at bank and in hand</i>		769,508	1,199,432	769,508	1,199,432
		973,830	1,389,753	973,830	1,389,753
<b>Creditors: Amounts falling due within one year</b>	9	(353,855)	(349,536)	(358,447)	(354,128)
<b>Net Current Assets</b>		<b>619,975</b>	<b>1,040,217</b>	<b>615,383</b>	<b>1,035,625</b>
<b>NET ASSETS</b>					
		<b>20,060,570</b>	<b>19,182,495</b>	<b>20,050,578</b>	<b>19,172,503</b>
<b>FUNDS</b>					
<b>Unrestricted funds</b>	11	827,471	724,321	827,471	724,321
<b>Restricted funds</b>					
<i>Other Restricted Funds</i>	10	638,900	594,725	638,900	594,725
<i>Endowment Fund</i>		18,594,199	17,863,449	18,584,207	17,853,457
<b>TOTAL FUNDS</b>					
		<b>20,060,570</b>	<b>19,182,495</b>	<b>20,050,578</b>	<b>19,172,503</b>

Approved by the Trustees and authorised for issue on 27 April 2017 and signed on their behalf:



Stephen Clark, Chairman



Colin Bird, Vice Chairman

The notes on pages 14 to 26 form part of these accounts.

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016	Total 2015
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS</b>						
<i>Investment income</i>	14	1,312,539	-	-	1,312,539	1,152,376
<i>Other trading activities</i>	15	43,000	-	-	43,000	43,000
<b>Total income</b>		<b>1,355,539</b>	<b>-</b>	<b>-</b>	<b>1,355,539</b>	<b>1,195,376</b>
<b>EXPENDITURE</b>						
<b>Cost of raising funds</b>	18					
<i>Property &amp; investment costs</i>		285,994	-	-	285,994	225,156
<i>Other costs</i>		42,802	-	-	42,802	42,680
		<b>328,796</b>	<b>-</b>	<b>-</b>	<b>328,796</b>	<b>267,836</b>
<b>Charitable activities</b>	18					
<i>Support of Parsonages grants</i>		600,721	-	-	600,721	441,386
<i>Repair of Churches grants</i>		229,741	-	-	229,741	215,306
<i>Christ Church, Southwark</i>		55,753	-	-	55,753	64,947
<i>Marshall's Educational Foundation</i>		36,563	-	-	36,563	36,266
<i>Stamford Lectureship</i>		115	-	-	115	115
		<b>922,893</b>	<b>-</b>	<b>-</b>	<b>922,893</b>	<b>758,020</b>
<b>Total expenditure</b>		<b>1,251,689</b>	<b>-</b>	<b>-</b>	<b>1,251,689</b>	<b>1,025,856</b>
<b>Net income/(expenditure) before gains and losses on investment</b>		<b>103,850</b>	<b>-</b>	<b>-</b>	<b>103,850</b>	<b>169,520</b>
<b>Net recognised gains on investments</b>						
<i>Property - unrealised</i>		-	-	364,725	364,725	848,319
<i>Securities - unrealised</i>		-	43,475	366,025	409,500	160,401
<b>Net income/(expenditure) after gains on investment</b>		<b>103,850</b>	<b>43,475</b>	<b>730,750</b>	<b>878,075</b>	<b>1,178,240</b>
<i>Transfers between funds</i>		(700)	700	-	-	-
<b>Net movement in funds</b>		<b>103,150</b>	<b>44,175</b>	<b>730,750</b>	<b>878,075</b>	<b>1,178,240</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward		724,321	594,725	17,863,449	19,182,495	18,004,255
<b>Total funds carried forward</b>		<b>827,471</b>	<b>638,900</b>	<b>18,594,199</b>	<b>20,060,570</b>	<b>19,182,495</b>

All the above amounts relate to continuing activities and include all recognised gains and losses.

The notes on pages 14 to 26 form part of these accounts.



	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
<b>INCOME AND ENDOWMENTS</b>						
<i>Investment income</i>	14	1,312,539	-	-	1,312,539	1,152,376
<i>Other trading activities</i>	15	43,000	-	-	43,000	43,000
<b>Total income</b>		<b>1,355,539</b>	<b>-</b>	<b>-</b>	<b>1,355,539</b>	<b>1,195,376</b>
<b>EXPENDITURE</b>						
<b>Cost of raising funds</b>	18					
<i>Property &amp; investment costs</i>		285,994	-	-	285,994	225,156
<i>Other costs</i>		42,802	-	-	42,802	42,680
		<b>328,796</b>	<b>-</b>	<b>-</b>	<b>328,796</b>	<b>267,836</b>
<b>Charitable activities</b>	18					
<i>Support of Parsonages grants</i>		600,721	-	-	600,721	441,386
<i>Repair of Churches grants</i>		229,741	-	-	229,741	215,306
<i>Christ Church, Southwark</i>		55,753	-	-	55,753	64,947
<i>Marshall's Educational Foundation</i>		36,563	-	-	36,563	36,266
<i>Stamford Lectureship</i>		115	-	-	115	115
		<b>922,893</b>	<b>-</b>	<b>-</b>	<b>922,893</b>	<b>758,020</b>
<b>Total expenditure</b>		<b>1,251,689</b>	<b>-</b>	<b>-</b>	<b>1,251,689</b>	<b>1,025,856</b>
<b>Net income/(expenditure) before gains and losses on investment</b>		<b>103,850</b>	<b>-</b>	<b>-</b>	<b>103,850</b>	<b>169,520</b>
<b>Net recognised gains on investments</b>						
<i>Property - unrealised</i>		-	-	364,725	364,725	848,319
<i>Securities - unrealised</i>		-	43,475	366,025	409,500	160,401
<b>Net income/(expenditure) after gains on investment</b>		<b>103,850</b>	<b>43,475</b>	<b>730,750</b>	<b>878,075</b>	<b>1,178,240</b>
<i>Transfers between funds</i>		(700)	700	-	-	-
<b>Net movement in funds</b>		<b>103,150</b>	<b>44,175</b>	<b>730,750</b>	<b>878,075</b>	<b>1,178,240</b>
<i>Reconciliation of funds:</i>						
Total funds brought forward		724,321	594,725	17,853,457	19,172,503	17,994,263
<b>Total funds carried forward</b>		<b>827,471</b>	<b>638,900</b>	<b>18,584,207</b>	<b>20,050,578</b>	<b>19,172,503</b>

All the above amounts relate to continuing activities and include all recognised gains and losses.

The notes on pages 14 to 26 form part of these accounts.



	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	20	(1,217,302)	(1,120,212)
<b>Cash flows from investing activities:</b>			
<i>Dividends, interest and rents from investments</i>		1,312,539	1,152,376
<i>Purchase of property and equipment</i>		(15,263)	(67,271)
<i>Purchase of investments</i>		(509,898)	(700)
<b>Net cash provided by (used in) investing activities</b>		787,378	1,084,405
<b>Change in cash and cash equivalents in the reporting period</b>		(429,924)	(35,807)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,199,432	1,235,239
<b>Cash and cash equivalents at the end of the reporting period</b>		769,508	1,199,432

**1. Accounting Policies**

- a The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011.
- b The charity constitutes a public benefit entity as defined by FRS102.
- c The trustees considered that there are no material uncertainties about the Charity's ability to continue as a going concern.
- d 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. Rental income is credited when receivable. Security income is credited on an accruals basis.
- e Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Repairs and renewals to property are charged to the Statement of Financial Activities when incurred. Grants are treated as expenditure when authorised by the Trustees and communicated to the beneficiaries, not when the grants are paid. Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.
- f Staff pension contributions are made under a defined contributions scheme, and the funds are held by fully independent insurance companies. No liability exists under the scheme except for the amount of the contributions charged in the year.
- g Irrecoverable VAT is charged against the expenditure heading for which it was incurred.
- h All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads (except Audit costs, which have been charged to Governance), have then been allocated between the categories on the basis of the total staff costs.
- i All assets costing more than £1,000 are capitalised and valued at historical cost. Equipment and office furniture is depreciated so as to write items off over their expected useful lives at a rate of 10% per annum on a straight line basis, except for the computer system which is depreciated so as to write it off over three years.
- j All securities (general purposes) are shown at mid-market value and properties are valued at open market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
- k Funds required by the Charity Commissioners (for sinking or other capital purposes) are invested in the Charities Official Investment Fund (COIF) and the Equities Investment Fund for Charities. The managers do not publish details of income accumulations and therefore securities are shown at market value and the funds are adjusted appropriately.
- l The Charity has a single permanent endowment. The trustees have the powers to invest the capital in perpetuity and apply the income to the general purposes of the Charity, namely to provide church and parsonage grants. Further details of the endowed, restricted and unrestricted funds are disclosed in note 11.

**1. Accounting Policies (continued)**

- m In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and valuation of properties and are discussed below.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

- n Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**2. Tangible Fixed Assets - Group & Charity**

**Cost or valuation**

At 1st January 2016  
 Additions at cost  
 At 31st December 2016

**Depreciation**

At 1st January 2016  
 Charge for the year  
 At 31st December 2016

**Net Book Value**

At 31st December 2016  
 At 31st December 2015

	ENDOWMENT FUNDS			
	Marshall House £	Furniture & Equipment £	Computer Equipment £	Total £
At 1st January 2016	600,000	18,289	32,831	651,120
Additions at cost	-	-	15,263	15,263
At 31st December 2016	600,000	18,289	48,094	666,383
At 1st January 2016	-	11,924	32,831	44,755
Charge for the year	-	1,069	-	1,069
At 31st December 2016	-	12,993	32,831	45,824
At 31st December 2016	600,000	5,296	15,263	620,559
At 31st December 2015	600,000	6,365	-	606,365

**Notes:**

- a Christ Church, Southwark was built and is maintained by the Charity in accordance with the will of John Marshall. The Trustees fully maintain the church on the basis of regular inspections, and do not consider that any useful purpose would be served by valuing the land and buildings. The Trustees have therefore decided to carry the Church at nil valuation.
- b Marshall House, Southwark is the offices of the Charity. This property is included in the accounts at a value of £600,000.
- c All tangible fixed assets are used for charitable purposes.

**3. Freeholds - Group & Charity**

Opening balance at 1st January 2016

Additions during the year

- Penge

Revaluation of properties at year end

Closing balance at 31st December 2016

	ENDOWMENT FUNDS			
	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Opening balance at 1st January 2016	12,727,365	11,811,775	12,601,965	11,686,375
Additions during the year				
- Penge	1,838	67,271	1,838	67,271
Revaluation of properties at year end	364,725	848,319	364,725	848,319
Closing balance at 31st December 2016	13,093,928	12,727,365	12,968,528	12,601,965

- a The cost of the Charity's freehold properties at 31st December 2016 was £5,174,484 (2015 - £5,172,646). The cost of the Group freehold properties at 31st December 2016 was £5,283,075 (2015 - £5,281,237).
- b The property portfolio is valued annually by the Charity's Chartered Surveyor, Mr J D Hutchings, DipBS FCAbe FRICS. The valuation is on the basis of open-market value.
- c All freehold properties are situated in the United Kingdom.

**4. Securities - Group & Charity**

	ENDOWMENT FUNDS	
	Total 2016	Total 2015
	£	£
Market value at 1st January 2016	4,463,823	4,278,970
Holding transferred from Investments - Special Purposes (see note 6)	-	64,961
Transfer from debtors	7,360	-
Investment in CCLA Property Fund	500,000	-
Net gains on revaluations during year	366,025	119,892
Market value at 31st December 2016	<b>5,337,208</b>	<b>4,463,823</b>
Historical cost at 31st December 2016	4,433,204	3,933,204

**Analysis of securities  
and securities income**

UK Investment Funds

	Income		Investments	
	2016	2015	2016	2015
	£	£	£	£
UK Investment Funds	162,513	138,468	5,337,208	4,463,823

**5. Investment in subsidiary company - Charity**

In 2008, the Charity formed Marshalls (New River House) Limited, a company registered in England and Wales. The Charity owns the entire issued share capital of £120,000. The company acquired a freehold ground rent in Salford. All activities are consolidated on a line by line basis in the Statement of Financial Activities.

The results of the subsidiary for the year ended 31 December 2016 are:

	ENDOWMENT FUNDS	
	2016	2015
	£	£
<b>Income</b>		
Income and net surplus for the period - rental income	3,400	3,400
Less: Payment made under Gift Aid to Marshall's Charity	(3,400)	(3,400)
	-	-
<b>Assets</b>	129,992	129,992
<b>Funds</b>		
Share Capital	120,000	120,000
Revaluation reserve	9,992	9,992
	<b>129,992</b>	<b>129,992</b>

**6. Investments - Special Purposes - Group & Charity**

*Charities Official Investment Fund, Accumulation shares*  
*Equities Investment Fund for Charities, Accumulation shares*

RESTRICTED FUNDS	
2016	2015
£	£
30,201	26,303
358,699	318,422
<b>388,900</b>	<b>344,725</b>

Movement during the year  
 Market value at 1 January 2016  
 Acquisitions at cost  
 Funds transferred during year  
 Net (loss)/gain on revaluation during the year  
 Market value at 31 December 2016

2016	2015
£	£
344,725	391,372
700	700
-	(64,961)
43,475	17,614
<b>388,900</b>	<b>344,725</b>

Historical cost at 31st December 2016

Investments represent the following funds:  
*Funds for accumulation of income for capital purposes*  
*Christ Church Extraordinary Repair Fund*

2016	2015
£	£
104,525	91,811
284,375	252,914
<b>388,900</b>	<b>344,725</b>

Following the direction of the Charity Commission the Charity had established a sinking fund in 1988. The fund was for the accumulation of income to replace earlier capital expenditure. The Order expired in November 2015 and the value of the investment holding at that date was transferred to Investments - General Purposes.

**7. Debtors and prepayments - Group & Charity**

*Rents due from tenants and agents*  
*Other debtors*

UNRESTRICTED FUNDS	
2016	2015
£	£
108,908	173,781
95,414	9,179
<b>204,322</b>	<b>190,321</b>

**8. Loans to Churches - Group & Charity**

Amounts set aside at the balance sheet date to make loans to churches at an interest rate of 3%

Offers of loans made but not taken up at 31 December 2016

*Loans outstanding at 1st January 2016*  
*Loans advanced during the year*  
*Repayments received during the year*  
 Loans outstanding at 31st December 2016

Interest received in the year

UNRESTRICTED FUNDS	
2016	2015
£	£
<b>250,000</b>	<b>250,000</b>
-	-
-	-
-	-
-	-
-	-



**9. Creditors**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
<i>Grants approved but unpaid</i>	183,864	159,596	183,864	159,596
<i>Marshall's Educational Foundation</i>	-	12,990	-	12,990
<i>Marshalls (New River House) Limited</i>	-	-	4,592	4,592
<i>Service charges on managed properties held for future repairs</i>	1,153	3,100	1,153	3,100
<i>Rent deposits held for tenants (see below)</i>	93,037	86,140	93,037	86,140
<i>Value added tax payable</i>	34,299	53,911	34,299	53,911
<i>Other creditors and accruals</i>	41,502	33,799	41,502	33,799
	<b>353,855</b>	<b>349,536</b>	<b>358,447</b>	<b>354,128</b>

**Rent deposits held for tenants**

These represent the liability for rent deposits of tenants held for various future periods. The compensating deposits, in the name of the Charity, are included in Cash at bank and in hand.

**10 Restricted Funds - Group**

	Balance	Movement		Other	Balance
	1.1.16	in Resources		Gains and	31.12.16
		Income	Expenditure	Losses	
	£	£	£	£	£
<b>Endowment Fund</b>	<b>17,863,449</b>	-	-	<b>730,750</b>	<b>18,594,199</b>
<i>Funds for Accumulation of Income for Capital Purposes</i>	91,811	700	-	12,014	104,525
<i>Development Fund</i>	250,000	-	-	-	250,000
<i>Christ Church Extraordinary Repair Fund</i>	252,914	-	-	31,461	284,375
<b>Total Other Restricted Funds</b>	<b>594,725</b>	<b>700</b>	<b>-</b>	<b>43,475</b>	<b>638,900</b>
<b>Total Restricted Funds</b>	<b>18,458,174</b>	<b>700</b>	<b>-</b>	<b>774,225</b>	<b>19,233,099</b>

The Other Restricted Funds are all set up by Charity Commission Order for the following purposes:

**a) Funds for Accumulation of Income for Capital Purposes**

Under the terms of a Charity Commission Order income is used to recoup capital monies expended on freehold property improvements and a leasehold interest in an investment property.

**b) Development Fund**

An annual transfer from income of £25,000 is allowed, and the fund may be applied for the purchase of land or the development and improvement of the property of the Charity.

**c) Christ Church Extraordinary Repair Fund**

Transfers may be made to this fund from income and the fund may be used for the repair, improvement or rebuilding of Christ Church, Southwark. The Trustees have not made any transfers since 2008. In 2014 the Trustees paid for repairs and redecoration of the building at a total cost of £20,185 and these costs were met from the Extraordinary Repair Fund.

11. Analysis of Net Assets between Funds - Group

	2016			
	Fixed Assets & Investments Gen.Purposes	Investments Special Purposes	Net Current Assets/ (Liabilities)	Total
	£	£	£	£
<b>Endowed Funds</b>	18,801,695	-	(207,496)	18,594,199
	<b>18,801,695</b>	<b>-</b>	<b>(207,496)</b>	<b>18,594,199</b>
<b>Restricted Funds</b>				
Development Fund	250,000	-	-	250,000
Funds for Accumulation of Income for Capital Purposes	-	104,525	-	104,525
Christ Church Extraordinary Repair Fund	-	284,375	-	284,375
	<b>250,000</b>	<b>388,900</b>	<b>-</b>	<b>638,900</b>
<b>Unrestricted Funds</b>				
Unallocated Income Marshall's Charity	-	-	827,471	827,471
	<b>19,051,695</b>	<b>388,900</b>	<b>619,975</b>	<b>20,060,570</b>

12. Auditor's remuneration

The auditor's remuneration constituted an audit fee of £10,275 (2015 - £10,000)

13. Analysis of staff costs and remuneration of key management personnel

	2016	2015
	£	£
Salaries and assessable benefits	151,965	149,496
Social security costs	14,860	15,813
Other pension contributions	34,303	33,151
	<b>201,128</b>	<b>198,460</b>
<b>Average number of staff (including full-time and part-time staff)</b>		
Clerk	1	1
Surveyor	1	1
Other administrative staff	1	1
	<b>3</b>	<b>3</b>

In 2016, one employee received remuneration in the band £60,000 - £70,000 (2015- 2).

The average number of employees during the year was 3 (2015 - 3). All employee time involves providing support to the governance of the charity, investment management or support services to charitable activities.

The Charity considers its key management personnel comprise the trustees, the Clerk and the Surveyor. The total employment benefits including employer pension contributions of the key management personnel were £156,717 (2015 - £157,678).

No Trustee receives any remuneration from the Charity, nor were any expenses re-imbursed to Trustees by payment to a third party (2015 - none). Trustees were not involved in any other transaction with the Charity or any related party (2015 - none).

**14. Investment income**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
<i>UK Property rental income</i>	1,047,401	1,000,873	1,044,001	997,473
<i>UK Dividends &amp; interest on securities</i>	162,513	138,468	162,513	138,468
<i>Other interest</i>	4,594	5,842	4,594	5,842
<i>Gift Aid payment from Marshalls (NRH) Limited</i>	-	-	3,400	3,400
<i>Building insurance commission</i>	8,031	7,193	8,031	7,193
<i>Other income</i>	90,000	-	90,000	-
	<b>1,312,539</b>	<b>1,152,376</b>	<b>1,312,539</b>	<b>1,152,376</b>

In 2016 the investment income was all attributable to unrestricted funds.

**15. Activities for raising funds - Group & Charity**

	2016	2015
	£	£
<i>Co-administration charge - Newcomen Collett Foundation</i>	43,000	43,000

Newcomen Collett Foundation ("NCF"), a charity providing grants to young people in the London Borough of Southwark, is also based in the offices of Marshall's Charity. All the administrative costs of both charities are paid by Marshall's Charity, in return for which NCF pays an agreed annual co-administration charge.

**16. Allocation of governance and support costs**

The breakdown of support costs and how these were allocated between Governance and other support costs is shown below:

Cost type	2016			Basis of Apportionment
	Governance related	Other support costs	TOTAL	
	£	£	£	
<i>Staff costs</i>	7,622	187,861	195,483	<i>Staff time</i>
<i>Office costs &amp; overheads</i>	-	107,756	107,756	<i>Staff time</i>
	<b>7,622</b>	<b>295,617</b>	<b>303,239</b>	

All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads (except audit costs, which have been charged to Governance) have been allocated between the categories on the basis of the total staff costs.

**17 Allocation of governance and other support costs**

	2016	2015
	£	£
<i>Investment Management fees</i>	158,959	159,111
<i>Newcomen Collett support costs</i>	42,802	42,680
<i>Support of Parsonage grants (see note 18)</i>	43,351	42,366
<i>Restoration of Churches grants (see note 18)</i>	55,089	53,806
<i>Marshall's Educational Foundation</i>	3,038	2,971
	<b>303,239</b>	<b>300,934</b>

**18. Expenditure**

	2016			
	Direct costs	Support and governance costs	TOTAL	2015
	£	£	£	£
<b>Cost of raising funds</b>				
<i>Investment Management fees</i>	-	158,959	158,959	159,111
<i>Direct property costs</i>	127,035	-	127,035	66,045
	<b>127,035</b>	<b>158,959</b>	<b>285,994</b>	<b>225,156</b>
<i>Newcomen Collett support costs (see Note 15)</i>	-	42,802	42,802	42,680
	<b>127,035</b>	<b>201,761</b>	<b>328,796</b>	<b>267,836</b>
<b>Charitable activities</b>				
<i>Support of Parsonage grants (see note 22)</i>	557,370	43,351	600,721	441,386
<i>Restoration of Churches grants (see note 21)</i>	174,652	55,089	229,741	215,306
<i>Christ Church, Southwark</i>	55,753	-	55,753	64,947
<i>Marshall's Educational Foundation</i>	33,525	3,038	36,563	36,266
<i>Stamford Lectureship</i>	115	-	115	115
	<b>821,415</b>	<b>101,478</b>	<b>922,893</b>	<b>758,020</b>
	<b>948,450</b>	<b>303,239</b>	<b>1,251,689</b>	<b>1,025,856</b>

As required by the Will of John Marshall, the Charity makes an annual payment of £115 to the Rector of All Saints Stamford, its organist and sexton. This is referred to as the Stamford Lectureship.

**19. Operating Leases**

At 31 December 2016 the Charity has non-cancellable operating leases as follows:

**Plant & Equipment**

*Payable in one year*

*Payable in the second to fifth years*

	2016	2015
	£	£
	4,268	7,647
	6,994	4,849
	<b>11,262</b>	<b>12,496</b>

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

***Net income for the reporting period (as per the statement of financial activities)***

*Depreciation charges*

*(Gains)/losses on investments*

*Dividends, interest and rents from investments*

*(Increase)/decrease in debtors*

*Increase/(decrease) in creditors*

***Net cash used in operating activities***

	2016	2015
	£	£
	878,075	1,178,240
	1,069	1,214
	(774,225)	(1,008,720)
	(1,312,539)	(1,152,376)
	(14,001)	(59,185)
	4,319	(79,385)
	<b>(1,217,302)</b>	<b>(1,120,212)</b>

**21 CHURCH GRANTS**

2016		2015	
	£		£
MURSTON, All Saints	10,000	ADDISCOMBE, St Mary Magdalene	7,500
BILLINGHAY, St Michael & All Angels	8,000	BECKINGHAM, All Saints	3,000
HOLBEACH FEN, St John's	5,000	BURGH HEATH, St Mary's	8,000
HORNCASTLE, St Mary the Virgin	5,000	CAISTOR, SS Peter & Paul	5,000
THIMBLEBY, St Margaret	5,000	CAMBERWELL, Christ Church	15,000
CUDHAM, SS Peter & Paul	5,000	CHIDDINGFOLD, St Mary	10,000
SOUTHFLEET, St Nicholas	10,000	EAST MOLESEY, St Mary's	10,000
STONE NEXT DARTFORD, St Mary the Virgin	7,000	ELTHAM, Holy Trinity	10,000
DOWNHAM, St Barnabas	10,000	GAINSBOROUGH, All Saints	8,000
CHARTHAM, St Mary's	3,000	GOXHILL, All Saints	5,000
ST MARTIN in Here	5,000	HEALING, SS Peter & Paul	5,000
TENTERDEN, St Michael & All Angels	2,000	HORBLING, St Andrew's	5,000
ADDLESTONE, St Paul's*	7,000	HUNTON, St Mary	5,000
BELTON, SS Peter & Paul	5,000	ICKHAM, St John the Evangelist	5,000
ROCHESTER, St Margaret's	5,000	RINGWOULD, St Nicholas	4,000
CAMBERWELL, St Philip	10,000	SAXBY, All Saints	10,000
DULWICH, St Barnabas	5,000	SMALLHYTHE, St John the Baptist	5,000
REDHILL, St Matthew's	8,000	SMARDEN, St Michael	7,000
SHIRLEY, St George the Martyr	7,450	WALTHAM, St Bartholomew	5,000
WEST WICKHAM, St Francis of Assisi	5,000	WEST END, Holy Trinity	3,000
BOBBING, St Bartholomew	10,000	WHYTELEAFE, St Luke	10,000
BRIDGE, St Peter's	5,000	WICKENBY, St Peter & St Lawrence	6,000
LOWER HARDRES, St Mary's	4,202	WOKING, St Mary of Bethany	5,000
WYE, St Gregory and St Martin	5,000	WROTHAM, St George	10,000
KIRKBY LA THORPE, St Denys	10,000		
SUDBROOKE, St Edward the Confessor	5,000		
SOUTH CHATHAM, St William's	8,000		
ELTHAM, St Barnabas	10,000		
	<u>184,652</u>		<u>166,500</u>
Cancellations	(10,000)	Cancellations	(5,000)
<b>Total Current Year Grants</b>	<u><u>174,652</u></u>	<b>Total Prior Year Grants</b>	<u><u>161,500</u></u>



22 PARSONAGE GRANTS

Diocese	2016			2015		
	Parsonage	Security	Total	Parsonage	Security	Total
Bangor	10,390	-	10,390	7,060	-	7,060
Bath & Wells	11,860	-	11,860	8,530	500	9,030
Birmingham	11,520	-	11,520	8,190	-	8,190
Blackburn	11,570	2,682	14,252	8,240	1,384	9,624
Bradford	6,900	-	6,900	7,430	-	7,430
Bristol	10,940	500	11,440	7,610	250	7,860
Canterbury	11,210	-	11,210	7,880	-	7,880
Carlisle	11,130	-	11,130	7,800	-	7,800
Chelmsford	13,430	-	13,430	10,100	-	10,100
Chester	12,130	-	12,130	8,800	-	8,800
Chichester	12,640	-	12,640	9,310	-	9,310
Coventry	11,060	-	11,060	7,730	-	7,730
Derby	11,380	750	12,130	8,050	500	8,550
Durham	11,540	-	11,540	6,961	-	6,961
Ely	11,160	500	11,660	7,830	582	8,412
Exeter	11,950	-	11,950	8,620	-	8,620
Gloucester	11,140	-	11,140	7,810	-	7,810
Guildford	11,590	-	11,590	8,260	-	8,260
Hereford	10,790	-	10,790	7,460	260	7,710
Leicester	11,250	-	11,250	7,920	-	7,920
Lichfield	12,810	1,750	14,560	9,480	2,260	11,740
Lincoln	11,360	1,681	13,041	8,030	1,924	9,954
Liverpool	11,950	-	11,950	8,620	-	8,620
Llandaff	11,090	-	11,090	7,760	-	7,760
London	15,190	-	15,190	11,860	250	12,110
Manchester	12,130	2,500	14,630	8,800	2,500	11,300
Monmouth	10,590	-	10,590	7,260	-	7,260
Newcastle	11,050	-	11,050	7,720	-	7,720
Norwich	11,710	-	11,710	8,380	-	8,380
Oxford	13,800	-	13,800	10,470	-	10,470
Peterborough	11,260	-	11,260	7,930	-	7,930
Portsmouth	10,870	-	10,870	7,540	-	7,540
Ripon & Leeds	7,240	-	7,240	7,770	-	7,770
Rochester	11,890	-	11,890	8,560	-	8,560
St Albans	12,280	1,080	13,360	8,950	522	9,472
St Asaph	10,760	-	10,760	7,430	500	7,930
St Davids	10,810	-	10,810	7,480	-	7,480
St Eds & Ipswich	11,220	-	11,220	7,890	-	7,890
Salisbury	11,810	-	11,810	8,480	-	8,480
Sheffield	11,340	-	11,340	8,010	250	8,260
Sodor & Man	5,000	-	5,000	-	-	-
Southwark	13,350	-	13,350	9,488	-	9,488
Southwell	11,240	-	11,240	7,910	-	7,910
Swansea	10,650	1,318	11,968	7,320	1,074	8,394
Truro	10,830	-	10,830	-	-	-
Wakefield	7,380	-	7,380	7,673	-	7,673
Winchester	11,590	-	11,590	8,260	-	8,260
Worcester	11,020	-	11,020	7,690	-	7,690
York	11,880	500	12,380	8,550	716	9,266
	<b>549,680</b>	<b>13,261</b>	<b>562,941</b>	<b>386,902</b>	<b>13,462</b>	<b>400,364</b>
Cancellations	(4,513)	(1,058)	(5,571)	(887)	(500)	(1,387)
<b>Total Grants</b>	<b>545,167</b>	<b>12,203</b>	<b>557,370</b>	<b>386,015</b>	<b>12,962</b>	<b>398,977</b>

## 23 PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2015
	£	£	£	£
<b>INCOME AND ENDOWMENTS:</b>				
<i>Investment income</i>	1,152,376	-	-	1,152,376
<i>Other trading activities</i>	43,000	-	-	43,000
<b>Total income</b>	<b>1,195,376</b>	<b>-</b>	<b>-</b>	<b>1,195,376</b>
<b>EXPENDITURE:</b>				
<b>Cost of raising funds</b>				
<i>Property &amp; investment costs</i>	225,156	-	-	225,156
<i>Other costs</i>	42,680	-	-	42,680
	<b>267,836</b>	<b>-</b>	<b>-</b>	<b>267,836</b>
<b>Charitable activities</b>				
<i>Support of Parsonages grants</i>	441,386	-	-	441,386
<i>Repair of Churches grants</i>	215,306	-	-	215,306
<i>Christ Church, Southwark</i>	64,947	-	-	64,947
<i>Marshall's Educational Foundation</i>	36,266	-	-	36,266
<i>Stamford Lectureship</i>	115	-	-	115
	<b>758,020</b>	<b>-</b>	<b>-</b>	<b>758,020</b>
<b>Total expenditure</b>	<b>1,025,856</b>	<b>-</b>	<b>-</b>	<b>1,025,856</b>
<b>Net income/(expenditure) before gains and losses on investment</b>	<b>169,520</b>	<b>-</b>	<b>-</b>	<b>169,520</b>
<b>Net recognised gains on investments</b>				
<i>Property - unrealised</i>			848,319	848,319
<i>Securities - unrealised</i>	22,895	17,614	119,892	160,401
<b>Net income/(expenditure) after gains on investment</b>	<b>192,415</b>	<b>17,614</b>	<b>968,211</b>	<b>1,178,240</b>
<i>Transfers between funds</i>	(700)	(64,261)	64,961	-
<b>Net movement in funds</b>	<b>191,715</b>	<b>(46,647)</b>	<b>1,033,172</b>	<b>1,178,240</b>
<i>Reconciliation of funds:</i>				
Total funds brought forward	532,606	641,372	16,830,277	18,004,255
<b>Total funds carried forward</b>	<b>724,321</b>	<b>594,725</b>	<b>17,863,449</b>	<b>19,182,495</b>

All the above amounts relate to continuing activities and include all recognised gains and losses.

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARSHALL'S CHARITY

We have audited the financial statements of Marshall's Charity for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity'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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements


In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 December 2016, and of its net movement in funds 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.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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.

  
**haysmacintyre**  
 Statutory Auditor

26 Red Lion Square  
 London  
 WC1R 4AG

Date: 27 April 2017

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

