



Report of the trustees and annual accounts 2017

Charity registration number 1115729

Company registration number 05593409 (England and Wales)

Halcrow Foundation

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Report of the trustees for the year ended 31st December 2017

Objectives and activities

We support projects that improve access to education, healthcare and safe water by developing community infrastructure; increase household food, health and income security by supporting livelihood development; and focus on sustainable, transformative change, rather than aid during crisis.

Our vision is a world in which all people have the means by which to enjoy a decent quality of life, free from oppression and poverty – a place where everyone can access safe water, healthcare, education and opportunities to sustain themselves while living a fulfilling life.

Our aim is to mobilise people in the engineering and construction communities to bring transformative and sustainable improvements to the lives of people in need, working in partnership with other charitable trusts and organisations. Together, we can directly apply our financial resources to practical, grassroots projects that make tangible and lasting improvement to the lives of people suffering acute hardship.

We believe that we should focus our efforts and resources on where we can make a real difference. Our projects work towards providing support that enables and empowers people to transform their lives by removing constraints and opening up opportunities that were previously unreachable by working in those communities where the Foundation has the support of local organisations that are well placed to understand the needs of the people and deliver appropriate solutions.

Our work to date has been with individuals and communities in selected areas of Africa, Asia and the UK where need is most evident and where we can ensure good governance of our projects through our network of project sponsors and partners.

We understand the power of partnership and this is key to the way we work. Our impact is greater when we work with like-minded organisations. We look to team up with funding partners, either corporates from the engineering and construction sector or other charities and organisations with similar beliefs. We have two types of project funding:

- Halcrow Foundation projects where we engage directly through our project sponsors with local charities to implement projects in line with our current practices; and
- Funding partner projects where we team up with other like-minded organisations and charities to deliver projects that meet our funding criteria.

All projects have a project sponsor who acts as the principal supervisor of an individual project. The project sponsor is someone with a close relationship with the delivery partner and who can ensure the effectiveness of the project design and delivery mechanism to meet beneficiary needs. The project sponsor is a trusted person who may work with or for our Funding Partner, or be an independent person well known to the Trustees, or in some instances a Trustee of the Foundation. Our project sponsors are known for their passionate commitment to help those in need and are respected for their transparency and accountability.

We pursue our objectives by managing investments to optimise returns, efficiently administering the charity, controlling the charity in an effective manner and adhering to good practice in the allocation of grants.

Report of the trustees for the year ended 31st December 2017

Strategy to achieve objectives

Four strategic goals will determine our work over the next four years and we will judge our success against them:

To improve access to education, healthcare and safe water by developing local community infrastructure

All such projects will be developed based on a local commitment to use and maintain the facilities provided and will be implemented generally through local delivery partners with an understanding of local needs and ambitions. We are aiming to reach at least 20,000 people through funding community infrastructure projects by 2018.

To increase household well-being and income security by supporting livelihood development

All such projects will create increased resilience and work to enable people to be their own catalysts for change and will be implemented generally through local delivery partners with an understanding of local needs and ambitions. We are aiming to reach at least 20,000 people through well-being and income security projects by 2018.

To develop our organisation as a sustainable and effective funder in our field

We will continue to be well governed and run, developing our organisation for our new aspirations and in the context of having a secure income. By 2018 we will have an increased number of trustees and volunteers helping to lead, manage and deliver our work, in line with our development and succession plan. We have a professionally managed investment portfolio, maximising the returns on our investments and allowing a core, sustainable income for our work with the potential for growth in real terms. We will have a clear and impact focused pipeline of projects for funding and will always be able to know and show the impact of our work. We will actively follow up and learn lessons from our projects, thus informing our intelligence as a funder and helping us to improve the way we work.

To increase the number of partnerships we have with the engineering community and other trusts and foundations

We are aiming to have at least six strategic relationships with engineering firms that provide suitable match funding of at least £50,000 per year by 2018. We are also aiming to have at least six partnerships with other trusts and foundations who share our goals and who will provide suitable match funding of at least £150,000 per year to projects that we support by 2018. We are also aiming to have obtained the further support of other trusts, foundations and individuals who will be collectively contributing £6,000 per year towards our projects.

Achievements and performance

Grants awarded recently include:

Improving livelihoods through developing and improving access to urban water, sanitation and hygiene, Madagascar - £200,000

Madagascar is one of the poorest countries in the world, with 92 percent of the population living in poverty and over half without access to safe water. Diseases caused by unsafe water kill and reduce the time spent at school and work, which increases poverty and restricts social growth. The project aims to increase access to safe water and sanitation while also improving hygiene practices in the city to improve health, education and livelihoods, as well as supporting gender equality and the reduction in poverty. The project will include building water and laundry facilities, delivering educational campaigns as well as developing the technical, business and operational capacity of the providers, which include utility companies and waste treatment facilities.

Report of the trustees for the year ended 31st December 2017

Achievements and performance (continued)

Improving livelihoods through developing and improving access to urban water, sanitation and hygiene, Madagascar - £200,000 (continued)

Easier access to potable water will have a profound effect on women and girls who primarily bear the responsibility for household water supply and who spend a significant amount of time locating and collecting water. This represents a major barrier to economic gain and empowerment as it reduces time available for income-generating activities and school attendance. The Foundation's contribution will directly benefit almost 10,000 people from low-income communities in the capital city of Antananarivo. The project implementer is WSUP (Water & Sanitation for the Urban Poor) who have significant experience in replicating financially viable and sustainable models for the operation and management of water and sanitation facilities.

Tullu Nacha Community Water Supply Project, Ethiopia - £34,965

Waterborne diseases are the main health problem in Tullu Nacha, damaging the health and reducing the productivity of the residents. The project will address the community's lack of safe water for drinking, cooking and dish and hand washing. The project aims to construct a water supply system to collect and store clean water from four spring sites and pipe it to four water points within the village as well as a primary school. Training will be given ensure project sustainability. The majority of the 1,400 beneficiaries will be local farmers and their family members. The project implementer is Environmentalists Development Association – Ethiopia (EDAE).

Deposit Guarantee Scheme to help secure accommodation for the homeless, United Kingdom - £9,500

Funding is to be provided for a loan scheme for homeless people in the UK through the charity Streets2Homes. The loan scheme helps to secure accommodation for those wanting to leave the streets but cannot afford the deposit that landlords require. Streets2Homes guarantee the initial deposit to secure the accommodation and supply tenancy support, which makes landlords willing to let their properties. Individuals can then repay the loans at a rate they can afford once they have a degree of stability in their lives, and various incentives are used to promote this. Having accommodation means access to housing, welfare and unemployment benefits. It is also seen as a key stepping stone to ensuring the safety, health and wellbeing of people who are homeless as well as opening up new life opportunities for them. People who are supported by the loan scheme will be given access to training opportunities provided by Streets2Homes. When a homeless person is housed the entire community benefits, reducing pressure on families, health services, the police and other community support organisations. An estimated 70 people are expected to benefit from this project, of which 45 will be in the first three years.

Volunteer Support Programme to support homeless people, United Kingdom - £95,724

Funding is to be provided to a volunteer support programme at the London-based charity, Groundswell. Groundswell specialises in peer-led work and its Progression Programme supports volunteers who use their own experience of homelessness to help other still living on the streets. Working as a peer, volunteers can make a positive contribution to society while overcoming personal, legal and social barriers and moving forward with their lives. The peers deliver Groundswell's Homeless Health Peer Advocacy Service which helps the increasing number of people without a home to address their physical and mental health issues. Peers are able to use their own experience to help people whose chaotic lifestyles and complex issues prevent them from receiving healthcare. The funding will enable Groundswell to hire a Progression Officer who will hold one-to-one coaching sessions with the peers so that they can develop and work towards a personal plan with clear goals. Ultimately the programme supports the peers to find and maintain employment and independent living. An estimated 270 people are expected to benefit from the project in three years.

Report of the trustees for the year ended 31st December 2017

Achievements and performance (continued)

Entoto Water Supply Project, Ethiopia - £67,600

The goal of this project is to supply residents of central Entoto with clean water for drinking, cooking and dish and hand washing and to address the danger of water borne diseases caused by sharing a water supply with domestic animals. The project will seek to cap several springs and construct a collection chamber and a reservoir at a higher point in the settlement. Pipes will be laid to connect the elements of the system with four public water points. The expected outcomes are improved health within the community, a reduction of violence against females during water collection activities and increased opportunities for economic development. The likely beneficiaries will be 2,000 residents on the periphery of Addis Ababa

Plans for future periods

The generous legacy of the Halcrow Trust will give us financial strength and stability to continue to support projects which bring about transformative and sustainable change to the lives of those who need us most.

Reference and administrative details

Trustees (directors)	David Kerr Anna Mann Madhu Rajesh Malcolm Wallace Andrew Yeoward
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Trustees (directors) appointed after the year end but at the date of this report

James Billingham (appointed 14th March 2018)

Chair of trustees (directors)	David Kerr
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Company secretary and finance manager	James Billingham
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Press officer	Clare Dorey
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Registered office	11 Fielding Road Chiswick London W4 1HP
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Charity registration number	1115729
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Company registration number	05593409
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Website	halcrowfoundation.org
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Bankers	CAF Bank Ltd 25 Kings Avenue West Malling Kent ME19 4JQ	Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
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Report of the trustees for the year ended 31st December 2017

Reference and administrative details (continued)

Listed investment managers	Rathbone Investment Management Limited Port of Liverpool Building, Pier Head Liverpool L3 1NW
Independent examiner	Vincent Cowling Woodward Hale 38 Dollar Street Cirencester Gloucestershire GL7 2AN

Structure, governance and management

The Foundation is a charitable company limited by guarantee incorporated in England and Wales on 14th October 2005 and registered as a charity on 9th August 2006. The charitable company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. These were amended on 24th July 2006 to update the charity's objects to include:

- the relief of poverty of people and communities anywhere in the world who are suffering hardship as a result of drought, earthquake, flood or any other disaster or who by reason of their social and economic conditions are in need of assistance; and
- the relief of sickness, hardship and distress, particularly by the development of education, health and other social services, the improvement of transport infrastructure, water supplies and other communal facilities and the promotion of self-help activities amongst those people or communities.

The charity was originally set up by staff of a British multinational engineering company called Halcrow to directly help people whose lives had been decimated by the Asian tsunami on Boxing Day 2004. Halcrow specialised in the provision of planning, design and management services for infrastructure development worldwide.

We know that engineers witness first-hand some of the challenges facing the poorest communities in different parts of the world. Halcrow believed that an engineering mindset, supported by resources from the engineering community working in partnership with established charities and NGOs, would create a strong position to make a positive difference.

Over the years, with the support of funding streams that came almost entirely from Halcrow employees and the company, the Foundation broadened its remit to help people and communities all around the world that were suffering from poverty and hardship.

Halcrow Holdings Limited (HHL) was acquired by CH2M HILL Europe Limited in 2012 and in 2015 the Foundation became the final beneficiary of the Halcrow Trust, an entity set up in 1990 to operate an employees' share scheme and provide benefits to officers and employees. The Halcrow legacy means that the charity has financial stability for the long term and is able to make a real difference to people suffering hardship and poverty around the world in perpetuity.

Report of the trustees for the year ended 31st December 2017

Structure, governance and management (continued)

The Foundation is also grateful to receive supplementary funding from companies in the engineering and construction sector, from charity partners with like-minded objectives and from individuals.

The Board meets up to six times a year and gives detailed consideration to monitoring the progress of the charity in achieving its performance and quality objectives. This includes reporting on returns from investments in securities and properties, grant strategies, approving grant applications, as well as the identification and management of risk.

Under the articles of association, the minimum number of directors (trustees) shall be two but the maximum number of directors (trustees) shall not exceed nine.

The trustees have a broad mix of skills relating to development projects throughout the world. The skill mix is regularly reviewed and new appointments made where necessary to replace skills lost due to retirement or when additional skills are required. Applicants would be provided with an information pack outlining the history of the organisation, its structure, activities and objectives, roles and expectations of trustees plus other supporting information. A new trustee would be provided with information on the activities, financing and management structure of the charity, together with Charity Commission guidance and codes of conduct related to the roles and responsibilities of trustees.

The Foundation has been developing a Governance document, together with a number of policies and operating documents by which to guide its operations. These policies are in various stages of development and not all are yet fully approved. A summary of these is set out below.

HF/1 Governance document

The Governance document is based on the UK Charities Commission document entitled 'Good Governance – A Code for the Voluntary and Community Sector'. This sets out six principles which should be followed by the Trustee board to provide good governance and leadership. These principles are reflected in the various policies development as a consequence of the Foundation's governing principles.

HF/2 Code of Conduct (incorporating Ethical Policy)

The way in which we deliver our objects defines not only who we are, but also what we are, and this means the Foundation must be ethically, environmentally and socially responsible in all we do. The legitimate needs of our beneficiaries are the primary driving force of the charity, subject always to the overriding requirement that we shall always act with integrity and with due regard for the principles of sustainable development. Where a project fulfils the Foundation's criteria but appears contrary to the interests of society or the environment, we shall make the implementers aware of this and, as a condition of funding, require them to alter their plans.

We have a duty to use our funds efficiently and effectively and in pursuit of our stated objectives in an open and accountable way and to use all reasonable means to ensure that implementers do the same. In addition to signing a contract committing them to implement the project as agreed, we expect project implementers to sign and comply with a code of conduct. Any representative who does not comply will not be allowed to continue to act on the behalf of the Foundation and will be asked to resign from their representative role. The Foundation will take such action it considers appropriate in relation to any failure to comply with this code, including reporting the actions of the representative to their employers or the relevant authorities. We will never accept corrupt, unfair or discriminatory practices. Our processes and systems are continuously reviewed to ensure that they represent best practice.

Report of the trustees for the year ended 31st December 2017

Structure, governance and management (continued)

HF/3 Investment Policy (including reserves policy)

The Investment Policy has been produced in accordance with Section 15 of the Trustees Act 2000. It seeks to produce the optimum total return balanced between income and capital growth under a medium risk investment strategy. The investment manager, Messrs Rathbones, has regard for the suitability of investments pertaining to a charitable fund which is regulated by the Charity Commission. Subject to that, the Trustees are willing to consider the widest range of investments as permitted by the Trustee Act 2009. We periodically review performance to ensure the best outcome. Total return on investments for the year was 11.7%.

HF/4 Financial Management and Disbursement Policy

The Disbursement policy includes the policy on how much to withdraw from overall Foundation funds to make available for causes it supports in the following year. The long-term aim is to maximise the funds available for distribution whilst maintaining the value of the investment funds in real terms. The policy sets out a process for dealing with the possibility of funds reducing in value as well as growing.

HF/5 Risk Management Policy

The Risk Management policy sets out how the Foundation manages the various risks to its operation. These include how the Foundation manages the corporate and operational risks in the areas of health and safety, fraud or other mismanagement of Foundation funds, substandard delivery of projects and corporate brand. These and other risks are managed primarily through the proper governance of the Foundation, as set out in the Governance Document (HF/1), and in the various policies and operational documents which flow from this. A risk register is currently under development which tracks key operational and generic risks.

The major risks to which the charity is exposed have been identified by the trustees and procedures established to mitigate these risks are monitored and reviewed regularly and have been recorded in the risk register. We minimise investment risk by using a fund that invests in a range of shares and other securities including bonds, property and commodities via a collective investment scheme; finance risk by the preparation and monitoring of budgets; strategic risk by the maintenance of good practice in the allocation of grants; and operational risk and regulation compliance risk through the regular review of activities and the use of professional advisers.

HF/6 Management of Causes and projects, (including policy on award of grants)

This policy is currently under development and will set out the whole process of selecting and managing projects. The Foundation only award grants for projects that assists the charity in achieving its aims and objectives. Our grant making policy enables an appropriate, logical and transparent process for the allocation and monitoring of grants. Grants are paid in stages against verified achievement of defined project milestones and the charity reserves the right to terminate a grant in the event that reasonable evidence of achieving the milestones has not been made available or if there are reasonable grounds to doubt the veracity of the evidence presented.

HF/7 Complaints Procedure

The complaints procedure is available to all those connected with the Foundation and sets out the process that is to be followed in the event of a complaint against the Foundation or anyone acting on its behalf. This includes how and when a complaint will be dealt with, issues of confidentiality, and the need for all or some of the trustees to meet and discuss the complaint.

A response will be given to the complainant, either upholding the complaint and explaining further action to be taken, providing a status report or turning down the complaint (with reasons) within seven days of the meeting of the trustees.

Report of the trustees for the year ended 31st December 2017

Structure, governance and management (continued)

HF/8 Partnerships Policy

This policy statement governs the manner in which we shall develop and enter into partnerships. The policy seeks to ensure that the impact that the Halcrow Foundation has in achieving its strategic aims is increased through working constructively with other like-minded organisations who share our values.

The partnerships we enter into have clear strategic objectives that reflect the aims of both partners and are managed in a transparent and effective manner. We recognise that our strategy, whilst bringing geographic and technical focus to our operation, also commits us to working towards defined and sustainably transformative outcomes. Our new funding status allows us to take a longer-term view on funding projects or programmes to ensure that those outcomes are realistically achieved.

HF/9 GDPR Policy

This policy statement governs the manner in which the Halcrow Foundation complies with the requirements of the General Data Protection Regulations (GDPR) which replaces the Data Protection Act 1998 in May 2018. The policy recognises the need for full transparency of the personal data Halcrow Foundation holds and respect for the privacy of those encountered during the everyday work of the foundation.

Supporting the Policies are a number of operating documents, again some of these are currently under development. These are:

- HF/10 Register of Code of Practice signatories
- HF/11 Vision and Strategy
- HF/12 Business Plan
- HF/13 Standard Form for Grant Applications
- HF/14 Standard Template for Assessment of Grant Applications
- HF/15 Standard Form of Agreement
- HF/16 Register of Conflicts of Interest
- HF/17 Risk Register

Financial review

Incoming resources have decreased to £168,673 compared to £1,026,183 in the prior year because the prior year included a final distribution from the Halcrow Trust of £909,090. Grants payable have reduced to £172,824 from £396,898 in line with our disbursement policy. Net expenditure of £16,216 and investment gains of £446,297 have contributed to an overall increase in funds during the period of £430,081 to £5,768,256.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The public benefit of the charity's activities is the relief of poverty of people and communities anywhere in the world who are suffering hardship and in need of assistance and the relief of sickness, hardship and distress, particularly by the development of education, health and other social services, the improvement of infrastructure and other communal facilities and the promotion of self-help activities amongst those people or communities.

Report of the trustees for the year ended 31st December 2017

Statement of trustees responsibilities

The trustees (who are also the directors of the Halcrow Foundation for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 principals 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees on 20th April 2018 and signed on their behalf by:

David Kerr

Chair of trustees

Independent examiner's report to the members of the Halcrow Foundation

I report on the accounts of the company for the year ended 31st December 2017 which are set out on pages 12 to 20.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those of the records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that, in any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2016; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

Halcrow Foundation

Independent examiner's report to the members of the Halcrow Foundation

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Name: Vincent Cowling

Relevant professional qualification or body: ICAEW

Address: Woodward Hale, 38 Dollar Street, Cirencester, Gloucestershire, GL7 2AN

Date: 1st May 2018

Halcrow Foundation

Statement of financial activities (including income and expenditure account) for the year ended 31st December 2017

	Notes	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Income from:			
<i>Donations</i>	3	3,149	913,330
<i>Investments</i>			
Dividends and similar distributions		164,578	110,589
Interest receivable		946	2,264
Total		<u>168,673</u>	<u>1,026,183</u>
Expenditure on:			
<i>Charitable activities</i>			
Grants payable	5	172,824	396,898
Support costs	4	12,065	11,327
Total		<u>184,889</u>	<u>408,225</u>
Net (expenditure)/income		(16,216)	617,958
Other recognised gains:			
Gains on revaluation of fixed assets		446,297	468,396
Net movement in funds		<u>430,081</u>	<u>1,086,354</u>
<i>Reconciliation of funds:</i>			
Fund balances brought forward		5,338,175	4,251,821
Fund balances carried forward	12	<u><u>5,768,256</u></u>	<u><u>5,338,175</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 16 to 20 form part of these accounts.

Halcrow Foundation

Balance sheet as at 31st December 2017

	Notes	2017 £	2016 £
Fixed assets:			
Investments	6	5,835,336	5,389,039
<i>Total fixed assets</i>		<u>5,835,336</u>	<u>5,389,039</u>
Current assets:			
Debtors	7	76	107
Cash at bank and in hand		256,896	338,566
<i>Total current assets</i>		<u>256,972</u>	<u>338,673</u>
Liabilities:			
Creditors: amounts falling due within one year	8	(3,802)	(5,400)
<i>Net current assets</i>		<u>253,170</u>	<u>333,273</u>
Provisions for liabilities	9	(320,250)	(384,137)
<i>Net assets</i>		<u><u>5,768,256</u></u>	<u><u>5,338,175</u></u>
The funds of the charity:			
Unrestricted funds	12	5,768,256	5,338,175
<i>Total charity funds</i>		<u><u>5,768,256</u></u>	<u><u>5,338,175</u></u>

The notes on pages 16 to 20 form part of these accounts.

Halcrow Foundation

**Balance sheet - continued
as at 31st December 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees (who are also directors of the company for the purpose of company law) acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

Approved by the trustees on 20th April 2018 and signed on their behalf by:

David Kerr
Chair of trustees

Halcrow Foundation

Statement of cash flows
for the year ended 31st December 2017

	Notes	2017 £	2016 £
Net cash (used in)/provided by operating activities	11	(82,616)	977,712
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Cash flows from investing activities			
Income from investments		946	2,264
Purchase of investments		-	(900,000)
		<hr/>	
Net cash provided by/(used in) investing activities		946	(897,736)
<hr/>			
Change in cash and cash equivalents in the year		(81,670)	79,976
Cash and cash equivalents brought forward		338,566	258,590
		<hr/>	
Cash and cash equivalents carried forward		256,896	338,566
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**Notes to the financial statements
for the year ended 31st December 2017**

1. Accounting policies

1.1 Basis of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) "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 1st January 2015)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2011 and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

1.2 Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

1.3 Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliability.

1.4 Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliability. Such items are recognised as income on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Volunteer time is not recognised in accordance with the Charities SORP (FRS 102).

1.5 Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliability by the charity and this is normally upon notification of the interest paid or payable by the bank.

1.6 Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

1.7 Critical accounting estimates and areas of judgement

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

1.8 Investments

Investments held as fixed assets are revalued at quoted market price at the balance sheet date. The gain or loss for the period is taken to the statement of financial activities.

Notes to the financial statements (continued)
for the year ended 31st December 2017

1.9 Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings based on the proportion of time spent on each of these areas of work.

Grants payable are charged to the statement of financial activities in full when approved by the trustees and communicated to the recipient. Grants awarded but unpaid at the balance sheet date are recognised as grant commitments within provisions for liabilities. Grants cancelled or repaid in the year are credited to the statement of financial activities. Charitable activities includes support costs associated with grants payable.

1.10 Fund accounting

The charity maintains one type of fund being general unrestricted funds that represents income that is expendable at the discretion of the trustees in furtherance of the objects of the charity.

2. Legal status of the charity and liability of members

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to a sum not exceeding £10.

3. Donations

	2017	2016
	£	£
Other donations	3,149	4,240
Donations from the Halcrow Trust	-	909,090
	<u>3,149</u>	<u>913,330</u>

4. Analysis of support costs

	2017	2016
	£	£
<i>Grant support</i>		
Project supervision	200	-
<i>General support</i>		
Website design and maintenance	843	1,038
Consultancy	6,019	3,728
Miscellaneous	13	13
Bank charges	430	321
<i>Governance</i>		
Travel expenses	960	827
Independent examiner's remuneration	960	-
Independent examiner's remuneration for services including accounts preparation	2,640	-
Auditors' remuneration	-	3,240
Auditors' remuneration for non-audit services including accounts preparation	-	2,160
	<u>12,065</u>	<u>11,327</u>

Halcrow Foundation

Notes to the financial statements (continued) for the year ended 31st December 2017

5. Grants

The charity undertakes its charitable activities through grant making and awarded the following grants to institutions during the year.

Project name	Entoto Water Supply Project	Volunteer Support Programme	Deposit guarantee scheme	Tullu Nacha Water Supply Project	Improving Livelihoods	Rise and Shine School Water Bottling Project	Pakistan Livelihoods	Liberation of Manual Scavengers	Homa Bay Dairy Goat Farming Project	Medicines and second doctor at Savera Clinic	Katha Lab School and Teacher Training	
Sponsor	EDA - Ethiopia	Groundswell	Streets2Homes	EDA-Ethiopia	WSUP	Eva Reckitt Trust	The British Asian Trust	Karuna Trust	Oxygen Charity	Savera Association	The British Asian Trust	
Aim	Clean water	Support homeless people	Secure accommodation for the homeless	Clean water	Urban water and sanitation	Sustainable income	Capacity development	Skill development and support	Alleviation of hunger and malnutrition	Medical care for slum dwellers	Education for disadvantaged children	
Location	Ethiopia	United Kingdom	United Kingdom	Ethiopia	Madagascar	Kenya	Pakistan	India	Kenya	India	India	
Balance sheet	£	£	£	£	£	£	£	£	£	£	£	Total
Grant commitments												
Brought forward	-	-	-	34,965	200,000	20,000	50,000	53,522	4,250	4,400	17,000	384,137
Awarded in the year	67,600	95,724	9,500	-	-	-	-	-	-	-	-	172,824
Paid in the year	(20,000)	(15,900)	(5,100)	(33,000)	(50,000)	(15,000)	(50,000)	(26,311)	-	(4,400)	(17,000)	(236,711)
Carried forward	47,600	79,824	4,400	1,965	150,000	5,000	-	27,211	4,250	-	-	320,250
Statement of Financial Activities	£	£	£	£	£	£	£	£	£	£	£	Total
Charitable activities												
Grants payable	67,600	95,724	9,500	-	-	-	-	-	-	-	-	172,824

Halcrow Foundation

Notes to the financial statements (continued) for the year ended 31st December 2017

6. Fixed asset investments

	2017 £	2016 £
Market value brought forward	5,389,032	3,138,660
Additions at cost less equalisation income	(24)	1,781,976
Investment gains	446,297	468,396
Market value	5,835,305	5,389,032
Cash awaiting reinvestment	31	7
	<u>5,835,336</u>	<u>5,389,039</u>

The listed investment is comprised entirely of shares in the Rathbone Active Income and Growth Fund. The objective of this fund is to achieve a growing level of income and capital growth from an actively managed portfolio that comprises a range of asset classes including shares, bonds, commodities and property. The constituent investments are located both within and outside the UK.

7. Debtors

	2017 £	2016 £
Prepayments and accrued income	76	107

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	3,802	5,400

9. Provisions for liabilities

	2017 £	2016 £
Grant commitments (Note 5)	320,250	384,137

10. Related party transactions

The trustees were not paid and did not receive any other benefits from employment with the charity in the year (2016: £nil). In addition, no trustee received payment for professional or other services supplied to the charity (2016: £nil).

During the year, two trustees were reimbursed for travel expenses. The total amount reimbursed was £554.

Halcrow Foundation

Notes to the financial statements (continued) for the year ended 31st December 2017

11. Reconciliation of net movement in funds to net cash provided by operating activities

	2017 £	2016 £
Net (expenditure)/income for the year	(16,216)	617,958
Deduct interest income shown in investing activities	(946)	(2,264)
Decrease in debtors	31	106
Decrease in creditors falling due within one year	(1,598)	(825)
(Decrease)/increase in provision for liabilities and charges	(63,887)	362,737
Net cash (used in)/provided by operating activities	(82,616)	977,712

12. Movements in funds

	Balance at 1st January 2017 £	Income £	Expended £	Gains £	Balance at 31st December 2017 £
General funds	5,338,175	168,673	(184,889)	446,297	5,768,256
Total unrestricted funds	5,338,175	168,673	(184,889)	446,297	5,768,256

Unrestricted funds are available to be spent for any of the purposes of the charity.

13. Control

The company is limited by guarantee and therefore there are no individual controlling parties. The company is controlled by the directors and its members.