

Standard Life Foundation
(A company limited by guarantee)

Annual report and accounts
for the year ended 31 December 2016



Scottish Charity Number SC040877
Registered in Scotland Number SC359717

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Charity information

Scottish Charity Number : SC040877

Registered in Scotland Number : SC359717

Directors

A M Darling
C M Clark
J A Daunt
N Eisenstadt
Sir G E Grimstone
D J Hall
L L Heller
H E Kempson
G R McEwan
N K Skeoch

Secretary : F M Horsburgh

Registered Office : Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

Independent Auditors : PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers : HSBC Bank plc
31 Holborn
Holborn Circus
London
EC1N 2HR

Chairman's statement

Standard Life Foundation ("the Charity") was incorporated in the name of Standard Life Charitable Trust, and registered as a charity with the Office of the Scottish Charity Regulator ("OSCR") in 2009. From 2013-2016, the Charity pursued the 'employability' theme through establishing a suite of sequential interventions to prepare and facilitate people's entry into the world of work. These included primary school interventions to inspire children to engage with education and develop their character and resilience, and adult programmes supporting transition to work for various excluded and disadvantaged groups. Charity partners were chosen for their relevant expertise and their ability to deliver reliable programmes with national scale. The strategy has positively impacted hundreds of lives and been recognised with an HR Network Award for Corporate Responsibility, a Gold Investors in Young People accreditation and as one of 11 Social Mobility Business Champions by the UK Government.

The initial funding of the Charity consisted of a donation of £4m received from Standard Life plc that related to the sale of shares in the Unclaimed Assets Trust ("UAT"). The UAT was set up in 2006 after Standard Life demutualised, to hold the shares and associated dividends that were not claimed by with profits policyholders who were entitled to receive them. In July 2016, the interests in the remaining unclaimed UAT assets reverted to Standard Life plc and it was a condition of demutualisation that in the event of any assets remaining unclaimed, they should be used for "general corporate purposes, including charitable giving". The board of Standard Life plc formally agreed that the unclaimed assets should be used for charitable purposes in a manner clearly consistent with its purpose and brand, and be aligned to its relationships with past and future generations of policyholders. Given the nature of Standard Life's business, financial resilience and well-being were considered to meet this requirement and at its 2016 AGM, Standard Life plc announced its intention to donate the unclaimed assets within the UAT to the Charity with the intention that it become an enduring research-led foundation. The Charity's Articles of Association, governance structure and name were all subsequently changed to align with this direction. OSCR was fully consulted and approved the change of name to Standard Life Foundation and the associated change in charitable purposes. Standard Life plc also informed the Charity that its intention is that it will now directly support the employment programmes previously supported by the Standard Life Charitable Trust.

Alongside its new focus on independent research to strengthen financial well-being and resilience in the UK, 2016 saw important steps taken in reshaping the Charity. A vital cornerstone of this has been the expansion of the Board of Trustees to include six independent trustees - James Daunt, Naomi Eisenstadt, Professor David Hall, Lucy Heller, Professor Elaine Kempson, and myself. And in February 2017 I was pleased to become Chairman of the Charity. The independent trustees are serving alongside four trustees from Standard Life plc; Sir Gerry Grimstone, Keith Skeoch, Colin Clark and Graeme McEwan. I would also like to thank Sir Gerry Grimstone for his pivotal role in reshaping the Foundation and his determination to put it on an independent and sustainable footing.

Another key strand of activity during 2016 was to lay the basis for the Charity's future operating model and position the Charity to receive proceeds from the Unclaimed Assets Trust. A Funding Agreement, an Investment Management Agreement and a Services agreement have all been developed to facilitate the relationship between parts of the Standard Life Group and the Charity. These agreements were finalised at the start of 2017. As at 26 May 2017, the Charity has received donations of £84m from Standard Life plc arising from the UAT unclaimed assets, of which £81m has been received since 31 December 2016. And the autumn saw the arrival of Howard Davies as the Foundation's Chief Executive (prior to his appointment Howard led Standard Life plc's Public Affairs team). Howard will be supported by a small team who will be put in place during 2017.

Following a careful process of evaluation, the Charity will be commissioning a systemic review of research into the topic of financial well-being. This review will form the key focus for our activity in 2017 and will provide the key building blocks for the Charity to make a real and lasting impact to improving financial well-being across the UK.



A M Darling
Chairman

Directors' report

The Trustees of the Standard Life Foundation (the Charity) are its directors for the purpose of the Companies Act 2006 and throughout this report are collectively referred to as the directors.

The directors submit their audited Annual report and accounts of the Charity, company registration number: SC359717, for the year ended 31 December 2016.

Objectives and activities

The objectives of the Charity are specifically restricted to furthering the following purposes within the United Kingdom and overseas (where that corresponds with the geographical presence of Standard Life plc, its subsidiaries or joint venture interests or corresponds with any place in which Standard Life plc, its subsidiaries or joint venture interests have business activities) (the Area of Benefit):

- (i) the prevention or relief of poverty;
- (ii) the advancement of education; and
- (iii) the relief of those in need due to age, ill-health, disability, financial hardship or other disadvantage;

and in particular (but without restricting the Charity's power to take other steps in furtherance of the above aims) to provide financial resources to support research for the public benefit into and activities concerning:

- (a) the challenges experienced by people in need in accessing appropriate products and services from the financial services market (including those related to long term savings);
- (b) increasing awareness of financial matters among those in need;
- (c) opening up the long-term savings market to those in need who would not otherwise have had access to that market; and
- (d) changing long-term savings behaviours and trends among those in need for the public good.

Financial review and performance

The Charity generated net income and hence, an increase in funds, of £1,215,901 (2015: net expenditure of £628,339) during the period. A charitable donation of £3,009,582 (2015:nil) from Standard Life plc relating to the Unclaimed Assets Trust was offset by expenditure on charitable activities and losses on invested assets of £70,976 (2015: gains of £91,730).

In 2016 the Charity made awards totalling £600,000 (2015: £400,000) to The Princes Trust, £107,683 (2015: £53,609) to the Royal British Legion, £290,000 to SkillForce (2015:nil) and £725,000 to Tomorrow's People (2015: £205,000). Of these awards, a final payment of £175,000 to Tomorrow's People remained outstanding at 31 December 2016: this was paid on 28 April 2017.

At 31 December 2016, the Charity holds donations received in a bank account administered by HSBC and investments in regulated collective investment schemes managed by Standard Life Investments (Mutual Funds) Ltd.

Reserves

The Charity has a revaluation reserve of £55,913 (2015: £634,811) which comprises the unrealised gains on its investment in regulated collective investment schemes. This reserve is unrestricted and moves in line with market conditions and the market valuation of the scheme.

Plans for future periods

In February 2017 Standard Life plc signed an agreement with the Charity to fund its future charitable activities from the unclaimed assets of the Unclaimed Asset Trust (UAT). The UAT was established in July 2006 to hold shares and cash allocated to eligible members of the Standard Life Assurance Company where those eligible members had not claimed their entitlement at the date of demutualisation. The claim period expired on 9 July 2016.

As at 26 May 2017, the Charity has received donations of £84m from Standard Life plc arising from the UAT unclaimed assets, of which £81m has been received since 31 December 2016. Further donations arising from the UAT unclaimed assets are expected. These further donations, which are at the discretion of Standard Life plc, are not expected to exceed £1m. The Charity does not intend to raise income through fund-raising as it currently has adequate funds to achieve its immediate aims.

A key priority for the Charity is a comprehensive evaluation of current research on financial well-being and resilience, before making a final decision on its priorities later in 2017.

Directors' report continued

Structure, governance and management

The Charity is a charitable company limited by guarantee. It was incorporated on 15 May 2009 and is governed by a Memorandum and Articles of Association. The Charity is recognised as a Scottish Charitable Company (Scotland Number SC040877) by HM Revenue and Customs (HMRC) and is regulated by the Office of the Scottish Charity Regulator (OSCR).

The changes to directorships are as follows:

S W Inness resigned as director on 25 April 2016.

C M Clark was appointed as director on 25 April 2016.

C S Gilles resigned as director and Chairman on 17 May 2016.

G E Grimstone was appointed Chairman on 17 May 2016 and resigned as Chairman on 3 February 2017.

A M Darling, J A Daunt, N Eisenstadt, D J Hall, L L Heller and H E Kempson were all appointed as directors of the Charity on 1 November 2016. A M Darling was subsequently appointed Chairman on 3 February 2017.

L M Peacock resigned as director on 31 December 2016.

The names of the current directors of the Charity are shown on page 2.

The appointment of directors is not subject to retirement by rotation. The directors meet at least once in any calendar year. New directors are appointed in accordance with the Articles of Association and appropriate training is provided. During 2016, Standard Life plc maintained directors' and officers' liability insurance on behalf of the Charity's directors and officers to provide cover should any legal action be brought against them.

The day-to-day operations of the Charity are undertaken by the employees of Standard Life Employee Services Limited (SLES�) under the oversight and guidance of the directors. H Davies was appointed as Chief Executive of the Charity on 1 September 2016 but is not a director of the Charity.

Ultimate controlling party

The charity's ultimate controlling party is Standard Life plc. Membership of the charity is only open to Standard Life plc and only Standard Life plc can appoint or remove the directors who may exercise all the powers of the Charity. Copies of the Annual report and accounts of the ultimate controlling party can be obtained at www.standardlife.com

Standard Life plc agrees to contribute £1 in the event of the charity winding up.

Investment policy and performance

Investment powers are governed by the Memorandum of Association. The directors intend that the value of the Charity's investments be managed over the long-term by investment in regulated collective investment schemes. The aim of these investments is to achieve relatively stable investment returns and to outperform cash returns going forward as defined by six month sterling LIBOR (London Interbank Offered Rate). Given the wider political and economic environment, and that this is a long-term investment, the directors are comfortable with the return of -2% during the year (2015: 5%).

Risk management

The directors have assessed the risks to which the Charity is exposed. The Charity is most specifically exposed to operational risk which is defined by Standard Life Group (the Group) as the risk of loss, or adverse consequences for the business, resulting from inadequate or failed internal processes, people or systems, or from external events. The Charity is also exposed to market risk which is defined by the Group as the risk that arises from the Charity's exposure to market movements which could result in the value of income, or value of financial assets and liabilities, or the cash flows relating to these, fluctuating by differing amounts.

The directors are satisfied that adequate systems and controls are in place to mitigate the exposure to these risks and to limit any potential exposure to other types of risk. The effectiveness of internal controls is reviewed by Group Internal Audit and Group Compliance, who report their findings to the Group Board.

Approved on behalf of the Board of Directors on 26 May 2017 by



A M Darling
Chairman

Statement of directors' responsibilities

The trustees (who are also directors of Standard Life Foundation for the purposes of company law) are responsible for preparing the directors' annual report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 directors are required to:

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

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved on behalf of the Board of Directors on 26 May 2017 by



A M Darling
Chairman

Independent auditors' report to the members and trustees of Standard Life Foundation

Report on the financial statements

Our opinion

In our opinion, Standard Life Foundation's financial statements (the financial statements):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the statement of financial activities (including income and expenditure account) for the year then ended;
- the statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of directors' responsibilities, the Directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent auditors' report to the members and trustees of Standard Life Foundation *continued*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



James Houston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
26 May 2017

**Statement of financial activities (including income and expenditure account)
For the year ended 31 December 2016**

	Note	Unrestricted 2016 £	Unrestricted 2015 £
Income and endowments from:			
Donations and legacies	1	3,143,674	48,402
Total income and endowments		3,143,674	48,402
Expenditure on:			
Charitable activities	2	1,856,797	768,531
Total expenditure		1,856,797	768,531
Net (losses)/gains on investments	3	(70,976)	91,730
Net income/(expenditure) and net movement in funds for the year		1,215,901	(628,399)
Reconciliation of funds:			
Total funds brought forward at 1 January		1,816,987	2,445,386
Total funds carried forward at 31 December	9	3,032,888	1,816,987

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended are from continuing operations.

**Balance sheet
As at 31 December 2016**

	Note	2016 £	2015 £
Fixed assets			
Investments	6	193,280	2,050,930
Total Fixed Assets		193,280	2,050,930
Current assets			
Cash at bank and in hand	7	3,014,608	127,577
Total Current Assets		3,014,608	127,577
Liabilities			
Creditors: amounts falling due within one year	8	175,000	361,520
Net current assets/(liabilities)		2,839,608	(233,943)
Net assets		3,032,888	1,816,987
Total funds of charity:			
Unrestricted income funds	9	2,976,975	1,182,176
Revaluation reserve	9	55,913	634,811
Total unrestricted income funds	9	3,032,888	1,816,987

Approved on behalf of the Board of Directors on 26 May 2017 by



A M Darling
Chairman

The accounting policies and notes on pages 12 to 15 form an integral part of these financial statements

Statement of cash flows
For the year ended 31 December 2016

	Note	2016 £	2015 £
Net cash provided by/(used in) operating activities	10	1,100,357	(1,365,708)
Cash flows from investment activities:			
Proceeds from sale of investments	6	1,786,674	572,629
Net cash provided by investment activities		1,786,674	572,629
Change in cash and cash equivalents in the year		2,887,031	(793,079)
Cash and cash equivalents at the beginning of the year		127,577	920,656
Cash and cash equivalents at the end of the year		3,014,608	127,577

The accounting policies and notes on pages 12 to 15 form an integral part of these financial statements

Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, with the exception of investments which are included at market value. The financial statements have also been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102 and does not hold any endowment funds.

(b) Donations and legacies

Voluntary income comprising donations, donated services and audit fees and investment income are accounted for when receivable.

(c) Expenditure

All expenditure is recognised on an accruals basis. Donated services reflect an allocation of costs based on time spent by employees of Standard Life Employee Services Limited (SLES�) working on tasks associated with the running and maintenance of the Charity.

(d) Grants

Grants payable are recognised on an accruals basis once committed to by the directors. Single or multi-year grants are accounted for when either the recipient has reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without any condition, or the recipient has a reasonable expectation that they will receive the grant and any condition attaching to the grant is out the control of the Charity.

(e) Support costs

Support costs include governance costs which are all allocated to charitable activities. Support costs which are a donated service, reflect an allocation of costs based on time spent by employees of SLES� working on tasks associated with each grant award.

(f) Fund accounting

Unrestricted income funds are funds which are available for use at the discretion of the directors in furtherance of the general objectives of the Charity. These funds have not been designated for other purposes and the investment policy is reviewed annually.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and any highly liquid investments which have a maturity date within three months of the date of acquisition. Cash and cash equivalents are measured at amortised cost.

(h) Investments

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses are included within the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between net sales proceeds and opening market value. Unrealised gains and losses on investments within the revaluation reserve represent the difference between the valuation at the balance sheet date and their purchase price.

Notes to the financial statements

1. Donations and legacies

	2016 £	2015 £
Donations and legacies	3,009,582	-
Donated services (including support costs)	132,702	47,052
Audit fees	1,390	1,350
Total voluntary income	3,143,674	48,402

Standard Life plc made a charitable donation of £3,009,582 (2015:nil) which consisted of unclaimed cash held by an Irish Trust which was beneficially held for the Charity by the bare trust at 31 December 2016. The cash is subject to the condition that the Charity will hold and apply it solely for such purposes, falling within the charitable purposes of the Charity, as are charitable under the law of Ireland.

The Charity has no employees and day-to-day operations are undertaken by employees of Standard Life Employee Services Limited (SLESL), under the oversight and guidance of the Board of Directors. Other administration work, including legal advisory services and finance support, is also undertaken by employees of SLESL. These costs are a gift in kind borne by Standard Life plc and have been recorded as donated services and treated as general donations to the Charity. These donated services are included in voluntary income and charitable activities in the Statement of financial activities.

Donated services of £132,702 (2015: £47,052) have increased in 2016 due to additional costs relating to support from SLESL employees on the transition from the former Standard Life Charitable Trust to the Standard Life Foundation. Donated services now also include costs relating to the CEO of the Standard Life Foundation who was appointed on 1 September 2016 but remains an employee of SLESL. Further details on the support costs required in 2016 are included in Note 2 Charitable activities.

The auditors' remuneration of £1,390 (2015: £1,350) is a gift in kind and will be paid by Standard Life plc and has been treated as a general donation to the Foundation. This is included in voluntary income and charitable activities in the Statement of financial activities.

2. Charitable activities

The following grants were made during the year:		Grants £	Support Costs £	Total 2016 £	Total 2015 £
	Note				
The Princes Trust		600,000	4,935	604,935	410,526
The Royal British Legion		107,683	1,168	108,851	56,273
Tomorrow's People		550,000	2,550	552,550	210,242
Skill Force		290,000	5,781	295,781	4,147
Total grants paid		1,547,683	14,434	1,562,117	681,188
Tomorrow's People		175,000	-	175,000	61,520
Total grant commitments	8	175,000	-	175,000	61,520
Total grants awarded		1,722,683	14,434	1,737,117	742,708
Donated services		-	118,290	118,290	24,473
Audit fees		-	1,390	1,390	1,350
Total donated services		-	119,680	119,680	25,823
Total charitable activities		1,722,683	134,114	1,856,797	768,531

The support costs of £14,434 (2015: £22,579) relate to time spent by employees of SLESL on pre-grant and post-grant activities including, but not limited to, decision making activities and post-grant monitoring. Donated services relate to time spent by employees of SLESL supporting the transition to the Standard Life Foundation, as well as on other administration work, performing legal activities and meeting statutory requirements.

3. Net losses on investments

Net losses on investment assets of £70,976 (2015: gains of £91,730) relate to realised gains on sale of investments of £507,922 (2015: £179,494) and a corresponding movement of £(578,898) (2015: £(87,764)) in the revaluation reserve during the year.

Notes to the financial statements *continued***4. Directors' emoluments**

No emoluments or expenses are payable to the directors in respect of their services to the Charity (2015: £nil).

5. Taxation

The Charity is recognised by HMRC as a Scottish Charity and is not liable to tax.

6. Investments

	2016 £	2015 £
Market value at beginning of year	2,050,930	2,531,829
Disposal proceeds	(1,786,674)	(572,629)
Net (loss)/gain on revaluation	(70,976)	91,730
Market value at end of year	193,280	2,050,930

Investments at market value comprise investments in regulated collective investment schemes managed by Standard Life Investments (Mutual Funds) Ltd listed below. Net (loss)/gain on revaluation includes distributions receivable on these funds as well as unrealised and realised gains and/or losses arising on the holdings in the funds.

	2016 £	2015 £
Standard Life Global Absolute Return Strategies Fund	193,280	2,050,930
Total investments	193,280	2,050,930
Historical cost as at 31 December	137,367	1,416,119

All investments are in UK undertakings.

7. Cash and cash equivalents

Cash and cash equivalents of £3,014,608 are wholly comprised of cash held at bank (2015: £127,577).

8. Creditors: amounts falling due within a year

	2016 £	2015 £
Due to Tomorrow's People	175,000	-
Due to The Royal British Legion	-	61,520
Due to SkillForce	-	300,000
Total creditors	175,000	361,520

At 31 December 2016, a grant payable to Tomorrow's People of £175,000 remained unpaid and was settled on 28 April 2017 following the liquidation of investments in March 2017.

Movement in recognised grant commitments	2016 £	2015 £
Grant commitments recognised at 1 January	361,520	1,007,099
Grants charged to the SoFA in year (see note 2)	1,722,683	720,129
Grants actually paid during the year	(1,909,203)	(1,365,708)
Amount of grant commitments recognised as at 31 December	175,000	361,520

Notes to the financial statements *continued***9. Movements in funds during the year**

	Unrestricted income funds £	Revaluation reserve £	Total unrestricted funds £
1 January 2016	1,182,176	634,811	1,816,987
Sale of investments	(1,786,674)	-	(1,786,674)
Realised gains on investments	507,922	-	507,922
Movement in revaluation reserve	-	(578,898)	(578,898)
Decrease in creditors	186,520	-	186,520
Increase in cash and cash equivalents	2,887,031	-	2,887,031
31 December 2016	2,976,975	55,913	3,032,888

	Unrestricted income funds £	Revaluation reserve £	Total unrestricted funds £
1 January 2015	1,722,811	722,575	2,445,386
Sale of investments	(572,629)	-	(572,629)
Realised gains on investments	179,494	-	179,494
Movement in revaluation reserve	-	(87,764)	(87,764)
Decrease in creditors	645,579	-	645,579
Decrease in cash and cash equivalents	(793,079)	-	(793,079)
31 December 2015	1,182,176	634,811	1,816,987

10. Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net expenditure for the year (as per the statement of financial activities)	1,215,901	(628,399)
Losses/(gains) on investments	70,976	(91,730)
(Decrease) in creditors	(186,520)	(645,579)
Net cash provided by/(used in) operating activities	1,100,357	(1,365,708)

11. Related party transactions

The audit fee has been borne by Standard Life plc (Note 1). Standard Life Employee Services Limited is a related party due to the ongoing provision of donated services shown in Note 2.

12. Events after the balance sheet date

In February 2017 Standard Life plc signed an agreement with the Charity to fund its future charitable activities from the unclaimed assets of the Unclaimed Asset Trust (UAT). The UAT was established in July 2006 to hold shares and cash allocated to eligible members of the Standard Life Assurance Company where those eligible members had not claimed their entitlement at the date of demutualisation. The claim period expired on 9 July 2016.

As at 26 May 2017, the Charity has received donations of £84m from Standard Life plc arising from the UAT unclaimed assets, of which £81m has been received since 31 December 2016. Further donations arising from the UAT unclaimed assets are expected. These further donations, which are at the discretion of Standard Life plc, are not expected to exceed £1m.