

GHAR PARAU FOUNDATION

TREASURER'S REPORT - YEAR ENDING 31.12.16

1 The accumulated fund once more grew significantly in the year. Despite this, the overall return continues to diminish as a result of the ongoing reduction in interest rates. In this environment it remains difficult to even maintain the income stream; generating any material improvement would entail an unjustifiable risk to capital.

2 During the year, £300 of G.P.F. funding was allocated. Additionally, five applications for the Alex Pitcher award were funded and £66 was paid in respect of the Tratman award. Against this total, £150 of prior year Alex Pitcher awards were written back due to the funds remaining uncashed/unclaimed.

3 Donations were received from the following during the year :-

Gouffre Berger	£	500
AC Waltham - J Hallam		<u>600</u>
		1100

Gift aid tax reclaims from 2015/16 remain outstanding and will be submitted in due course.

4 No China Caves Project funding was allocated in the year.

5 During the year, £5000 of funding for distribution was received from B.C.A. Of this, £3900 was added to the £600 deferred income from 2015 and the total then allocated to 2016 expeditions. The remaining £1100 has been deferred to 2017. In addition, £1450 of prior year awards were written back due to the expeditions either not taking place or failing to claim the funds awarded.

6 2016 saw increased net income from direct fundraising. Much of this arose from efforts made during or around the Eurospeleo event. £2045 was raised directly from the event and a further £604 from the Camps held around the UK.

7 At the year end, £200 was outstanding overall against awards (funding retained subject to reporting).

8 The fund has increased by 6.1% in the year. This once more derives from the level of donation income plus the fundraising efforts. Current expectations on interest rates still suggest that fund growth merely offsets ongoing interest rate reductions. The net income available for distribution in 2016 is likely to be around the level of the previous year.

9 I recommend that funds for distribution should be a minimum of £1200 in 2017. This would entail a small deficit on interest income, but in light of 2016 expenditure levels this is reasonable taking the two years together. Tratman and Pitcher awards should form part of this total. Additionally, £1100 of BCA funding remains deferred from 2016. Any further BCA funding should be allocated once confirmed and the same principle applies to any funding which may be forthcoming from the China Caves Project. Should the level and quality of applications justify it, there would also be the opportunity to reallocated some of the £1450 prior BCA awards now returned to the fund. Donation income will once more be added to the accumulated fund unless specifically targeted for distribution.

G HAR PARAU FOUNDATION**ACCOUNTS FOR THE YEAR ENDED 31.12.16****INCOME AND EXPENDITURE ACCOUNT - 12 MONTHS TO 31.12.16**

	<u>2016</u>	<u>2015</u>
INTEREST RECEIVED	909	857
DONATIONS	1100	2948
HIDDEN EARTH	0	6000
CHINA CAVES PROJECT	0	575
B.C.A.	4500	5300
FUNDRAISING (NET OF COSTS)	2664	883
TOTAL INCOME	<u>9173</u>	<u>16563</u>
G HAR PARAU FOUNDATION GRANTS	300	750
TRATMAN AWARD	66	66
ALEX PITCHER AWARD	225	375
CHINA CAVES AWARDS	0	575
B.C.A. AWARDS	3050	5300
TOTAL EXPENDITURE	<u>3641</u>	<u>7066</u>
EXCESS OF INCOME OVER EXPENDITURE	<u>5532</u>	<u>9497</u>

BALANCE SHEET AS AT 31.12.16

	<u>2016</u>	<u>2015</u>
N S B BONDS	44000	36000
VIRGIN MONEY DEPOSIT	47000	47000
INVESTMENTS AT COST	<u>91000</u>	<u>83000</u>
GRANT RETENTIONS	-200	-425
DEFERRED INCOME	-1100	-600
CASH AT BANK	6156	8349
TOTAL ASSETS	<u>95856</u>	<u>90324</u>
ACCUMULATED FUND BROUGHT FORWARD	90324	80827
EXCESS/(DEFICIT) OF INCOME OVER EXPENDITURE	5532	9497
ACCUMULATED FUND	<u>95856</u>	<u>90324</u>

- 10 During the year, a further reinvestment was made. £8000 was allocated to the N.S.B. Income Bonds. Whilst the interest rates reflect the current poor state of returns on safe investment, the risk profile for materially improving this position remains unacceptable. However, the situation remains under review and if appropriate alternatives become available, these will be pursued during 2017.
- The current cash balance relates partly to retentions and deferred income, with the majority the result of donation and fundraising income in 2016. As in prior years, I propose that the latter elements are reinvested to improve the return whilst continuing to minimise risk. Any further additional income should be dealt with as arising.

Funds held at year end were as follows :-

Title	Value	Maturity	Interest
National Savings Bonds	44000	N/A	Variable
Virgin Money Charities A/C	47000	N/A	Variable
Total	<u>91000</u>		

The bank balance is £6156

P.N. Ibberson - Treasurer 21/01/17