

Charity number: 312425

Sir John Cass's Foundation
Report and Financial Statements

Annual report 2018

For the year ending

31 March 2018



Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2018

Charity number 312425

Registered office and operational address
31 Jewry Street
Aldgate
London
EC3N 2EY

Principal objective Sir John Cass's Foundation is an independent Charity whose principal objective is the promotion of education of disadvantaged young persons resident within the City of London, the Royal Boroughs of Kensington & Chelsea and Greenwich, and the London Boroughs of Camden, Hackney, Hammersmith & Fulham, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and the City of Westminster.

The Foundation's Board of Governors

Name	Office	Committee/s
Dr Kevin Everett OSt.J DSc (Deputy)	Treasurer and Chairman (resigned as Treasurer and Chairman 31 st July 2018 but remains on the Board)	Grants, Staff, Nomination and Investment (ad hoc)
David Hogben (until 31st July 2018 and re-appointed on the 7th November 2018)	Chairman of Audit & Risk	Audit & Risk, Grants (until the 18 th October 2017), Staff (until the 18 th October 2017), Nomination and Investment (ad hoc)
John Hall	Chairman of Grants (until 1 st August 2018) Interim Treasurer and Chairman (acting from 1 st August 2018 - confirmed in position 7 th November 2018)	Grants
HH Brian Barker CBE QC		Audit & Risk
Paul Bloomfield (until 31 st July 2017 and re-appointed on the 7 th November 2018)		Audit & Risk
The Reverend Trevor Critchlow		Investment (ad hoc) (from the 24 th January 2018)
Graham Forbes		Audit & Risk and Investment (ad hoc)
The Reverend Laura Jørgensen		Audit & Risk (from the 24 th January 2018)

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2018

Denise Jones (appointed 7 th November 2018)		Grants
Professor Mike Thorne CBE	Deputy Treasurer (resigned on the 20 th June 2018)	Grants, Staff, Nomination & Investment (ad hoc)
Sophie Fernandes CC	Deputy Chairman of Grants (until 18 th July 2018) Appointed Acting Chairman of Grants and Interim Deputy Treasurer (from 1 st August 2018 - confirmed in position 7 th November 2018)	Grants and Nomination

Honorary Governor (not a member of the Board)

Mervyn Streatfeild is an Honorary Governor.

Special Advisers

The Foundation has a number of Special Advisers (not members of the Board)

Professor Lord Patel of Bradford OBE

Baroness Sandip Verma

The Rt. Hon. Ruth Kelly (appointed 24th January 2018)

Professor David Rhind CBE

Peter Williams CBE

Professor Lord Hennessy of Nympsfield

Two of the Foundation's Special Advisers died during the reporting year:

Sir Cyril Taylor GBE (29th January 2018)

Sir Paul Jenkins KCB QC (Hon) (26th February 2018)

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2018

Principal officer Richard Foley Clerk / Chief Executive

Bankers Coutts & Co
Commercial Banking
440 Strand
London
WC2R 0QS

Solicitors Howard Kennedy FSi
19 Cavendish Square
London
W1A 2AW
Devonshires
30 Finsbury Circus
London
EC2M 7DT

Property Managers Fletcher King
61 Conduit Street
London
W1S 2GB

Investment Managers Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Pension Actuary Capita Hartshead Actuarial and Consultancy Services
(Formerly called Gissings Consultancy Services)
Ludgate House
2nd Floor
245 Blackfriars Road
London
SE1 9UF

Accountants Myers Clark
Chartered Accountants and Registered Auditors
Egale 1,
80 St Albans Road,
Watford,
WD17 1DL

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

The Foundation continues to advance its mission to help educate London's young people at its Schools and other name bearing institutions, as well as those in low-income and disadvantaged communities. The range and diversity of grants awarded in the year appears later in these accounts and an Impact Report is currently being compiled in order to demonstrate the outputs, outcomes and impact of the Foundation's grants in recent years. The Foundation decided during the year to open a twitter account which will focus on news relating to grants and events and is entitled #SJCFgrants. This will help those who seek our support to better understand what we do.

It is pleasing to report that both the value of the Foundation's assets and its income increased during the year. The Board has agreed to pay grants of approximately £1.3m with a further £1.0m of grant payments already committed for future years. The Foundation also continued to provide substantial support in the form of rent free accommodation to both its schools, of which it is the Sole Trustee: Sir John Cass's Foundation Primary School and Sir John Cass's Foundation & Redcoat Secondary School, as well as the Cass and Claredale Halls of Residence.

A number of publications were launched during the year, including research commissioned by the Foundation and undertaken by the University of Buckingham entitled "Beyond the School Gates: Experiences of Cyberaggression and Cyberbullying among Adolescents in the UK". This was launched at the Institute of Directors on 19 October 2017 and was widely reported in the national press.

The Foundation continued to inform and stimulate debate on future education policy at its annual Sir John Cass's Foundation Lecture. The 11th Lecture was delivered by the Rt Hon Ruth Kelly, Pro Vice Chancellor, for Research and Enterprise at St Mary's University, Twickenham at the Cass Business School entitled "The importance of education on life chances of children in care". A personal testimony was also delivered on the evening by Kerry Littleford, entitled "A care leavers' reflections on education". Supporting Looked After Children is one of the Foundation's priorities and events such as this are intended to inform and contribute towards our future grants strategy. Support was also provided to the Festival of Education at Wellington College and the Festival of Higher Education at the University of Buckingham, both of which were held in June 2017 and attract an audience of teachers, lecturers, and education policy makers.

The Board commissioned a comprehensive governance review during the year, which was undertaken by Professor Andrew Hind CB from the Centre for Charity Effectiveness at the Cass Business School. His findings were presented to the Board in the latter part of 2017, and as a consequence, the Foundation's governance framework will be updated and amended. This will ensure that the Foundation continues to conform to regulatory changes and adheres to best practice in terms of governance. A property strategy is also being compiled for consideration by the Board.

We are delighted that the renovations to the Foundation's own premises have now been completed - on time and within budget- the first such improvements for a significant number of years, and we appreciate that the office continued to function fully whilst remaining in situ throughout this time.

We should like to thank our fellow Board members who have again this year spent a great deal of time and effort on Foundation activities, particularly visiting beneficiaries and representing the Foundation at external events, such as the reception to mark the tercentenary of the death of the Founder, Sir John Cass (1661-1718), which was held at Carpenters' Hall in the City of London. This involved special musical performances from pupils from the Foundation's Primary and Secondary Schools.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

Given the dates of office indicated below, this year's Treasurer's Report bears two signatures. Dr Kevin Everett decided to stand down as Treasurer & Chairman (but to remain on the Board) after twelve years' dedicated service to the Foundation in this role and this was duly recognised by the Board who bestowed upon Dr Everett the title of Treasurer Emeritus. The Board warmly welcomes John Hall as Interim Treasurer and Chairman from the 1st August 2018.

The Board also thanks Professor Michael Thorne CBE, the former Deputy Treasurer, who resigned in June 2018, for his unstinting support for the Foundation over ten years; the Foundation will miss his wise counsel. We welcome Councillor Denise Jones who joined the Board in July 2018, as well as two new Grants Officers, Megan Flack and Lee Hunnisett.

We also thank Melanie Mullin, Interim Grants Manager who has been assisting the Foundation since April 2018. The long and dedicated service given to the Foundation by Fedinia Olonade and Jane Miller, for fourteen and twenty years respectively, should also be acknowledged. We are also pleased to report that the Foundation officially became a Living Wage Employer during the year.

Finally, the Board joins us in thanking and appreciating all our staff ably led by Richard Foley, the Clerk and Chief Executive, who along with the team continue with their enthusiasm, dedication and hard work on behalf of the Foundation.

Dr Kevin Everett (Deputy)
Treasurer & Chairman (until 31st July 2018)

John Hall
Interim Treasurer & Chairman (from 1st August 2018)

The Board present their report and the audited financial statements for the year ended 31 March 2018. The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the Charity's Scheme, applicable law and the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Nature of governing document and how the charity is constituted

The Foundation was established in 1748. It is regulated by a Scheme made by the Secretary of State for Education and Science on 28 April 1970 under Section 18 of the Charities Act 1960, as amended by the Schemes made by the Charity Commissioners on 22 October 1979, 20 March 1992, 15 June 1993, 17 December 2008, 4 November 2010, 27 July 2011, December 2012, February 2014 and April 2015.

Membership of the Board

There are twelve members of the Board: two ex-officio and ten co-opted (as of 20th June 2018 there is one co-opted vacancy). The co-opted members serve a five-year term but are eligible for re-appointment at the end of their five-year term. It was resolved at the Board Meeting of the 21st October, 2015 that an interregnum of a minimum of three years be applied to any member of staff that resigns from their executive position before being able to be considered to join the Board of the Foundation and for an interregnum of a minimum of three years be applied to any Governor being considered to become a staff member of the Foundation.

Methods of recruiting and appointing new Board Members

The recruitment of new co-opted Board members is based on the Foundation's Board member role description and person specification and all new Board members complete a skills audit questionnaire on appointment. The skills audit analysis is updated to determine the specialist skills to be sought when filling Board vacancies.

Co-opted Board members are appointed through a formal competitive process which includes national press advertising, shortlisting and interviewing. The Foundation retains monitoring statistics on the age group, gender, ethnic origin and disability of Board members.

Prior to appointment, all Board members sign a declaration of eligibility in accordance with Section 178 of the Charities Act 2011.

Board Member Interests

The register of Board members' interests is reviewed annually. All agendas contain a standard declaration of interests item and in compliance with the Foundation's Conflicts of Interests Policy, any Board member with a declared interest is excluded from voting.

Induction and Learning & Development

There is an induction and learning & development programme in place for both staff and governors.

The Foundation's governance framework determines the appointment of the Treasurer and Deputy Treasurer [who are elected annually], and the nature, frequency and operation of Board and committee meetings. The Board met four times during the financial year 2017/18.

The Foundation has a Grants Committee, Audit & Risk Committee, Staff Remuneration Committee, Nomination Committee and various ad hoc committees who meet when necessary.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

Relationships with other charitable, public and private sector organisations

The Foundation regularly engages with other institutions bearing the Cass name, particularly Sir John Cass's Foundation Primary School and Sir John Cass's Foundation and Redcoat Church of England Secondary School, and nominates four persons to the Governing Body of each school as per the Governing Document and as a result of the substantial ongoing financial investments made by the Foundation in its Schools. The Foundation is also the sole trustee and voluntary aiding body for both the Sir John Cass's Foundation Primary School and Sir John Cass's Foundation and Redcoat Church of England Secondary School.

The Foundation also makes nominations to:

- the Board of the University of East London
- the Council of City University
- the Strategy and Development Board of the Cass Business School.

The Foundation keeps pace with changes in education policy through contact with local education authorities, the Department for Education and other public sector and charitable organisations.

Remuneration policy

The key management personnel pay scales are benchmarked against those of the City of London Corporation and are regularly compared with other similar charities and are approved on an annual basis by the Staff Committee.

Risk Management

Under the updated Risk Management Process, which was introduced in 2015, the Clerk presents a "Major Risk Summary", which highlights the risks identified with a "major" risk score, at each meeting of the Foundation's Board of Governors. Examples of the major reported risks were; Lack of Disaster Recovery Plan - Action: Following the recent refurbishment of the Foundation's premises and the arrival of a new tenant, an updated Business Continuity Plan is being written; Non-Compliance with Regulations and Good Practice - Action: Policies in the Board Code of Conduct are currently under review. In all cases the most recent status is reported together with any remedial, mitigating or outstanding actions. A Governance Review was written by Professor Andrew Hind CB, (the former Chief Executive of the Charity Commission) from the Centre of Charity Effectiveness and his recommendations will continue to assist the Board in adhering to best practice in terms of good governance.

Fundraising

The Foundation does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Foundation nevertheless observes the relevant fundraising regulations and codes. During the year there was no non-compliance with any of these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Objectives and Activities

The Foundation is one of London's largest independent educational charities and has a substantial endowment invested in equities and property. The Foundation has interpreted the Scheme with all its amendments and accordingly fulfils its charitable objectives through the vision, mission and values statements as shown below:

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

Its Vision, Mission and Values are:

Vision

Our Vision is to be regarded as an influential organisation, contributing to educational policy, practice and research in order to shape and meet the evolving needs of London's young people.

Mission

The mission of the Foundation is to promote the education of young people in London through its grant programmes for individuals, educational institutions and organisations. Priority will be given to applicants from the most disadvantaged backgrounds.

Values

Our core values provide the framework for the implementation of the Foundation's mission. They shape the way we pursue our vision, and underpin the way we behave with each other as well as the way we interact with the world around us.

Efficiency and Professionalism - we aim to treat people with dignity and respect always adhering to the highest personal and professional standards in the pursuit of business efficiency.

Openness and Transparency – our policies, procedures and processes conform to the highest standards of governance and will stand the test of probity.

Caring – we treat everyone with empathy, compassion and understanding as we ourselves would wish to be treated.

Innovation – we actively seek creative excellence to achieve change for the better.

Public Benefit

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in the planning and operations of all its current and future activities. In particular, the Governors have given due regard to public benefit when awarding grants.

Grants Strategy

The Foundation's Grants Strategy, which is regularly reviewed by the Grants Committee identifies six priorities as follows:

- 1 Cass Schools:
 - To enhance the learning experience for every child at Sir John Cass's Foundation Primary School and Sir John Cass's Foundation and Redcoat Church of England Secondary School, for which the Foundation is the Sole Trustee for both schools.
- 2 Widening Participation:
 - Promote access to further and higher education for disadvantaged young people in Inner London.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

- 3 Truancy, Exclusion and Behaviour Management:
 - Encourage and support children and young people's attainment through initiatives that help them engage with, and stay in, education.
- 4 Prisoner Education:
 - Reduce re-offending through education and initiatives that promote employability.
- 5 New Initiatives
 - These are defined as either genuinely new, ground-breaking approaches to learning, or, projects that are new in context, i.e. activities that have not previously been implemented in a particular school or within a specific geographical area.
 - Influence and improve education policy and practice, both within the Foundation's area of benefit and more widely.
- 6 Student Bursaries & Maintenance Support via Scholarship programmes and the Foundation's Schools

Grant Making

In fulfilling its objectives, the Foundation makes grants to individuals and organisations and provides on-going support to the following institutions, that bear the name of the Founder:

- Cass Child and Family Centre & Sir John Cass's Foundation Primary School in the City of London.
- Sir John Cass's Foundation and Redcoat Church of England Secondary School in the London Borough of Tower Hamlets.
- City University (Cass Business School) in the London Borough of Islington.
- London Metropolitan University (Sir John Cass Faculty of Art, Architecture and Design) in the London Borough of Tower Hamlets.
- University of East London (Sir John Cass School of Education & Communities) in the London Borough of Newham.
- Cass and Claredale Halls of Residence (Sir John Cass Hall) in the London Borough of Hackney.

The Foundation provides rent-free buildings to the Sir John Cass's Foundation Primary and Secondary Schools and to the Cass and Claredale Halls of Residence; these equate to a substantial direct cash benefit totalling approximately £3m. The Foundation also meets the full cost of Founder's Day from which both Cass Schools benefit.

Organisational Objectives

In order to maintain a stable infrastructure from which grant making may be delivered and sustained the Board agreed the following objectives:

- Provide annual revenue through investment income of approximately £2million per year.
- Provide Grant revenue of circa £1 million per year.
- Implement and keep under review the grants monitoring and grants evaluation strategies.
- Review investment and property strategy.
- Review the efficiency of both governance and management practices.
- Promote the Foundation and its activities.

The renovations to the Foundation's offices were completed during the year, and as a result, the Foundation now has the capability for the first time of holding seminars and launching publications from its own premises.

ACHIEVEMENTS AND PERFORMANCE

Grant Making

The Foundation's grant making is guided by the principle of 'additionality'. We will not support projects where a public authority has a statutory duty to provide the services for which funding is being sought.

Actual performance

The Foundation committed £1,359,952 (£1,064,651 in 2016/17) in grants during the year as follows:

Grants Programmes

Foundation's Schools	£233,039
Grants to Organisations working with Foundation's Schools	£53,275
Other Cass Institutions	£100,000
Organisations	£941,138
Individuals	£32,500

TOTAL **£1,359,952**

Grant Making to Individuals

Bursaries totalling £6,000 were made to six Old Cassians and other students who had previously attended either Sir John Cass's Foundation Primary or Sir John Cass's Foundation Secondary Schools. In the case of the bursaries at the schools, these awards and prizes were presented to the students at the Annual Prize Giving Evening held at Sir John Cass's Foundation Church of England Secondary School in autumn, 2017.

Grants made varied in size, depending on study costs, fees for courses, and the statutory support available to individuals.

Sir John Cass's Foundation Lord Mayor's Scholarships	£12,000
Individual Grants to Old Cassians and other students	£20,500
Total	£32,500

Monitoring & Evaluation

The Foundation's monitoring and evaluation policy operates as follows:

All organisations must provide information relating to the anticipated outputs and outcomes with their proposal, along with the costs and methodology to be used to collect and analyse the information.

Successful applicants submit evaluation reports throughout the life of the project and future payments of grants are contingent upon receiving satisfactory reports. The Foundation reserves the right to withdraw funding where an organisation has not submitted an evaluation report or where the project has not achieved its objectives.

Monitoring and evaluation is expected wherever possible to be organised by the receiver rather than the Foundation. It can be undertaken by the organisation itself, by an independent body or by an external consultant appointed by the Foundation. The cost of the evaluation is included in the applicant's budget, and each application is considered on a case by case basis, with the Grants Committee deciding how proportionate and appropriate evaluation will be arranged. An Impact Report has been commissioned which will set out the outputs, outcomes and impact relating to the projects funded by grants from the Foundation.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

Promotion & Communications

The Foundation's website provides a wide range of online information to prospective applicants.

Three important events took place during the year:

The Sir John Cass's Foundation Lecture

Over 180 people, including senior educationalists and policy makers from the education sector, attended the eleventh Sir John Cass's Foundation Lecture delivered at the Cass Business School on November 2017 by the Rt. Hon. Ruth Kelly, Pro Vice Chancellor, Research & Enterprise, St. Mary's University, Twickenham entitled "The Importance of Education on the Life Chances of Children in Care". Ruth Kelly kindly agreed that the Foundation could publish the transcript of the lecture. Copies of the publication will be distributed to all members of the House of Commons, House of Lords, Members of the European Parliament and Universities throughout the UK.

Festivals of Education

The Foundation was once again a major sponsor of the Festival of Education which was held over two days at Wellington College in Berkshire in June 2017. The Foundation was also a major sponsor of the Festival of Higher Education which was held at the University of Buckingham also in June 2017. Both Festivals attracted a host of visitors and approximately 200 speakers and interested parties from across the educational and political spectrum.

FINANCIAL REVIEW

Investment Strategy

The Board continued to adhere to the investment strategy to:

- provide a targeted income return of approximately £2 million
- maintain the real value of the endowment
- provide long term growth in income of 1.5% greater than the retail price index.

Investment Performance

Income from the Foundation's investments increased during the year (excluding rent free accommodation); from £3,769,116 in 2016/17 to £4,160,830 in 2017/18. This was primarily as a result of a full year's rental income from the Foundation's Jewry Street premises which was let from July 2016. A Property Strategy is currently being written and will be considered by the Board shortly.

The Foundation's listed investments decreased in value by approximately 1% from £40,935,872 at 31 March 2017 to £40,452,639 at 31 March 2018.

Reserves and Funds Policy

The Board reviewed the reserves policy and reaffirmed its objectives as to:

- maintain a prudent level of operating reserves of £600,000, being approximately 12 months' operating costs including pension costs and
- create and maintain a minimum grant enabling fund of £1m to accommodate future grant applications for projects that are likely to have a significant impact on the education opportunities for disadvantaged young people.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

At 31 March 2018 the Foundation's general unrestricted funds were £3.7m of which £600,000 is the Foundation's operating reserve as indicated above. This leaves a fund of £3.1m to meet future grant applications including the Foundation's commitments of over £1m reported at note 22 to the accounts.

There are no material uncertainties about the Foundation's ability to continue as a going concern.

ACHIEVEMENTS & PERFORMANCE – 2017/18

Grant Making

The Foundation awarded the following grants during the year:

Organisation Name		Amount
Grants to the Foundation's Schools		£233,039
Sir John Cass's Foundation Primary School	Urgent upgrade of aging and unreliable school boiler which did not meet modern standards for emissions or ventilation.	£75,000
Sir John Cass's Foundation Primary School	Making Learning Real - digital learning in the classroom. Project to equip classrooms with the latest technology to enable teachers and children to utilise IT purposefully and to enhance the learning experience.	£40,779
Sir John Cass's Foundation Primary School	To develop the provision for STEM teaching through provision of specialist teaching and a peer to peer professional development project.	£32,000
Sir John Cass's Foundation Primary School	Annual per capita grant awarded to each of the Foundation's schools.	£17,260
Sir John Cass's Foundation & Red Coat CE Secondary School	Annual per capita grant awarded to each of the Foundation's schools.	£68,000
Grants to Organisations working with the Foundation's Schools		£53,275
Hampshire County Council (Cass Foundation Mountain Centre)	Outdoor Education for students from Sir John Cass's Foundation Secondary School and Sir John Cass School of Education and Communities at the University of East London.	£23,275
The Samosa	Educating through the Arts delivering a series of workshops and seminars with schools and universities to explore issues of identity, culture, history and community using diverse arts materials and media.	£30,000
Grants to Cass Institutions		£100,000
City University (Cass Business School)	Schools Engagement Programme - connecting student mentors from the Cass Business School to local secondary schools including Sir John Cass's Foundation & Red Coat Church of England Secondary School providing mentoring and coaching to year 10 to 13 pupils.	£100,000
Grants to Organisations		£941,138
St Mary's University Twickenham	First Star - working with looked after young people of secondary school age, supporting their academic and personal development and helping them aspire to and access university.	£100,000

Milestone Foundation	Divert - Aimed at individuals involved in the criminal justice system using emotional intelligence training together, mentor support and signposting to engage with young people whilst under arrest at police stations to help them re-engage with society.	£75,925
London Design & Engineering UTC	Sponsorship of the London Festival of Design and Engineering - to engage young people in related subject and increase participation in STEM education.	£69,500
The Wellington Trust	Wellington Trust Education Programme for local schools using the ship's history to enthuse participants about STEM subjects.	£63,895
University of London	Distance Learning Scholarship Programme providing financial assistance, careers advice, mentoring and pastoral care to young people from London undertaking DL programmes at the colleges and schools of the federal University.	£50,400
The Charterhouse	The Learning Centre at the Charterhouse supporting activities run by the new Learning Centre and facilitate wide access to the activities for schools in the Foundation's target boroughs.	£50,000
Queen Mary University of London	Q-Taster programme giving students valuable workplace experience, building confidence and preparing them for interviews, placements, internships or their first job.	£44,720
Building Crafts College	Funding for a Personal Development, Behaviour and Welfare Co-ordinator to provide necessary retention and wellbeing support for students.	£40,000
British Exploring Society	EPIC Adventure youth development programme aimed at supporting young care leavers through a series of residential training events and expeditions in the UK and abroad.	£40,000
Institute of Education	Supporting Spoken Language in the Classroom project to improve the classroom environment leading to enhanced language development and enabling teachers to undertake swifter and more effective action working with pupils with speech, language and communication needs.	£36,000
Lyric Theatre Hammersmith	START programme for NEET 16-21 year olds using drama to identify, explore and address the underlying causes of disengagement.	£34,000
Pembroke House	After school training programme, using contemporary dance, techniques for training actors, creative exercises and competitive activities, to develop emotional, social and transferable skills of 9-13 year olds with behavioural problems.	£33,242
Fostering Network	London Fostering Achievement programme of activity aiming to improve educational outcomes for fostered children in London, increasing the knowledge and confidence of carers, teachers and social workers through masterclasses, workshops and peer support.	£30,000
Khulisa	Silence the Violence high impact programme delivered in HMP Wormwood Scrubs aiming to support offenders in developing social behaviour change, contribute to a reduction of violence in prisons, and impact on reducing reoffending.	£30,000
Box Clever	The London Project supporting a creative programme working with schools in London to stand up to hate, promote cohesive and tolerant behaviours within the student population and improve pupil motivation, behaviour and achievement.	£30,000

Centrepoint Soho	A programme of educational support dedicated to developing the skills and confidence of young homeless people living in Hammersmith & Fulham through an in-house learning support programme.	£28,404
Goldsmiths College	Open Book Prison Link Education Project to establish a learning module in two London prisons with a roll out as an accredited module for prison residents and Goldsmith's students, enabling wider engagement in higher education.	£27,250
Building Crafts College	To support a range of bursaries, scholarships and hardship grants to be awarded to eligible students undertaking study at the College and to support educational craft-based visits for students.	£26,000
Clink Charity	To support the costs of training for prisoners working in the Clink Charity training restaurant at HMP Brixton, giving prisoners the chance to gain an NVQ in food preparation, food service and safety.	£19,917
Theatre Royal Stratford East	HE Pathways project providing pathways and supportive routes into higher education in the performing arts for 24 young people living in disadvantaged circumstances.	£15,000
Futures Theatre	Underwater Love a theatre project working in schools to engage young people in addressing issues of pornography and sexting, and the effects these have on their relationships.	£15,000
The Country Trust	Farm and Allotment Discovery Programme for disadvantaged children in Lewisham aimed at fostering an understanding of farming, food and the countryside through hands-on experiences on real working farms and estates.	£13,368
Prisoners' Education Trust	Funding to support the Trust's Advice Manager in providing tailored advice and guidance to prisoners supporting them in making informed choices about courses they wish to study and careers guidance for their next steps.	£11,900
Hand Engravers' Association of Great Britain	Funding to support the costs of an apprenticeship for a trainee Hand Engraver working alongside the Master towards a full time employment placement on completion of their programme.	£11,840
University of Westminster	To provide Completion Bursaries to Care Leavers in their final year of study to ease the transition from full-time education to independent living.	£10,000
Cambridge University (Pembroke College)	Pembroke College Undergraduate Cambridge University Scholarship , to be allocated towards the tuition fee, maintenance and an 'opportunities' grant, awarded to a promising undergraduate student from London in particular financial need.	£10,000
School-Home Support	Working with St Mary's CE Primary School to provide additional school-based highly-skilled practitioner support to work with and support children and families facing extreme disadvantage.	£8,000
University of the Arts, London College of Fashion	To provide a bridging grant to support costs of the Cutting Room lecturer working with prisoners in the College's Fashion Training and Manufacturing Unit at HMP Downview.	£7,272
Westway Trust	Stable Way Homework Club providing activities for children from the Irish Traveller community living under the Westway to help them become school ready by improving their communication and language skills.	£6,305

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

St Matthew's Academy (grant transferred to Hungerford Primary under Chair's Action in 2018)	To enable 30 pupils from Years 5 and 6 to visit the Hampshire & Cass Foundation Mountain Centre.	£3,200
---	---	--------

Forward Look

Although the Foundation's strategic priorities in grant making remain unchanged, the opportunities for grant making will continue to be affected by the ongoing economic situation. During the next year the Board will be considering and approving the following activities:

- managing the endowment and investment portfolio.
- maintaining and managing the grants programme.
- continuing to implement the governance and Scheme changes needed by beneficiaries in a culturally and religiously diverse community.
- continue to work with partner organisations to implement and add value to the Foundation's objects.
- promoting the Foundation through its activities to influence education policy and direction to the advantage of the Foundation's beneficiaries.
- continuing to improve the Foundation's efficiency.

Statement of Responsibilities of the Governors

The Governors are responsible for preparing the Governors' 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 and Wales requires the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. 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 Governors are responsible for the maintenance and integrity of the charity 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 legislation in other jurisdictions.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2018

Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

Approved by the Board on 7 November 2018 and signed on their behalf by:

John Hall
Interim Treasurer & Chairman of the Board

Independent Auditors Report

To the board of Governors of

Sir John Cass's Foundation

Opinion

We have audited the financial statements of Sir John Cass's Foundation (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Other information

The other information comprises the information included in the Governors' annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors Report

To the board of Governors of

Sir John Cass's Foundation

Matters on which we are required to report by exception

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities set out in the Governors' annual report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charity's Governors 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 Governors those matters we are required to state to them in an auditor's 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 and the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors Report

To the board of Governors of

Sir John Cass's Foundation

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

23 November 2018

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Sir John Cass's Foundation

Statement of financial activities

For the year ended 31 March 2018

	Note	Unrestricted £	Designated £	Restricted £	Permanent Endowment £	2018 Total £	2017 Total £
Income from:							
Donations and legacies	3	971	-	-	-	971	1,985
Investments	4	7,180,135	-	-	-	7,180,135	6,788,421
Other	5	59,682	-	-	-	59,682	57,582
Total income		7,240,788	-	-	-	7,240,788	6,847,988
Expenditure on:							
Raising funds		208,748	-	-	-	208,748	548,897
Charitable activities							
Promotion of education		5,081,136	-	12,000	-	5,093,136	4,628,698
Other		20,000	-	-	-	20,000	28,000
Total expenditure	6	5,309,884	-	12,000	-	5,321,884	5,205,595
Net (expenditure) / income before net gains on investments		1,930,904	-	(12,000)	-	1,918,904	1,642,393
Net gains on investments		-	-	-	8,439,461	8,439,461	4,038,417
Net income / (expenditure) before transfers		1,930,904	-	(12,000)	8,439,461	10,358,365	5,680,810
Transfers		(2,992,794)	2,992,794	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(1,061,890)	2,992,794	(12,000)	8,439,461	10,358,365	5,680,810
Gains on revaluation of fixed assets	12	-	-	-	12,575,000	12,575,000	-
Actuarial gains (losses) on defined benefit pension schemes		149,543	-	-	-	149,543	6,662
Net movement in funds		(912,347)	2,992,794	(12,000)	21,014,461	23,082,908	5,687,472
Reconciliation of funds:							
Total funds brought forward		4,660,730	2,906,395	23,416	145,714,463	153,305,004	147,617,532
Total funds carried forward		3,748,383	5,899,189	11,416	166,728,924	176,387,912	153,305,004

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19.

Sir John Cass's Foundation

Balance sheet

As at 31 March 2018

	Note	£	2018 £	2017 £
Fixed assets:				
Tangible assets	12		56,819,187	43,868,363
Investment properties	13		76,070,000	67,115,000
Investments	14		40,452,639	40,935,872
			<u>173,341,826</u>	<u>151,919,235</u>
Current assets:				
Debtors	15	2,291,498	1,701,999	
Cash at bank and in hand		1,636,257	1,143,841	
		<u>3,927,755</u>	<u>2,845,840</u>	
Liabilities:				
Creditors: amounts falling due within one year	16	265,669	651,071	
			<u>651,071</u>	
Net current assets			<u>3,662,086</u>	<u>2,194,769</u>
Net assets excluding pension liability			<u>177,003,912</u>	<u>154,114,004</u>
Defined benefit pension scheme asset / (liability)	17		(616,000)	(809,000)
Total net assets			<u><u>176,387,912</u></u>	<u><u>153,305,004</u></u>
The funds of the charity:				
Permanent endowment funds	19		166,728,924	145,714,463
Restricted income funds			11,416	23,416
Unrestricted income funds:				
Designated funds		5,899,189	2,906,395	
General funds		3,748,383	4,660,730	
		<u>9,647,572</u>	<u>7,567,125</u>	
Total unrestricted funds			<u>9,647,572</u>	<u>7,567,125</u>
Total charity funds			<u><u>176,387,912</u></u>	<u><u>153,305,004</u></u>

Approved by the trustees on 7 November 2018 and signed on their behalf by

John Hall
Interim Treasurer and Chairman

David Hogben
Chairman of Audit and Compliance

Sir John Cass's Foundation

Statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(3,244,991)		(3,876,592)
Cash flows from investing activities:					
Dividends, interest and rents from investments		4,160,830		3,769,116	
Purchase of tangible fixed assets		(391,117)		(486,968)	
Proceeds from sale of investments		8,241,920		27,685,282	
Purchase of investments		(7,975,721)		(28,436,774)	
Net cash used in investing activities			4,035,912		2,530,656
Change in cash and cash equivalents in the year			790,921		(1,345,936)
Cash and cash equivalents at the beginning of the year			1,341,359		2,687,295
Cash and cash equivalents at the end of the year	21		2,132,280		1,341,359

1 Accounting policies

a) Statutory information

Sir John Cass's Foundation is an unincorporated charity registered with the Charity Commission in England & Wales. The registered office address is 31 Jewry Street, Aldgate, London, EC3N 2EY.

b) Basis of preparation

The accounts (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 (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

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

d) Going concern

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

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 amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Foundation 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 that the amount can be measured reliably.

For rental income, the total amount receivable over the term of the lease is calculated and then recognised as income evenly each year.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Foundation 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 Foundation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Foundation which is the amount the Foundation 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.

g) Interest receivable

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

h) Fund accounting

The Foundation has a single permanent endowment. The bequest from Sir John Cass provides for the trustees to invest the capital in perpetuity but the income may be allocated at the trustees' discretion to the general purposes of the Foundation, namely to promote the education of young people in London.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the Foundation in managing and maintaining its investments.
- Expenditure on charitable activities includes the grants awarded in furtherance of the Foundation's objects together with their associated support costs. Some grants are made over a term of years of a project or course, and later payments are dependent on the recipient fulfilling certain conditions to determine whether such funding is provided, with the Foundation retaining discretion to terminate these grants. For this reason an immediate liability arises and is recognised only when the associated conditions have been met and the payments have been approved by the Foundation. Future commitments are recognised when these conditions have been successfully fulfilled and the payment approved. The amounts committed but with conditions still to be fulfilled are disclosed as future commitments in the notes to the accounts.
- Other expenditure represents the interest cost of the Foundation's pension liability, as calculated by the scheme actuary.

Included in the Foundation's expenditure on charitable activities is non-monetary support provided in the form of rent free accommodation to the Sir John Cass's Foundation Primary and Secondary Schools and Cass and Claredale Halls of Residence. An estimate of the rent free accommodation provided is included in the accounts based on the space occupied by the tenants multiplied by an estimated rental value per square foot as provided by the Foundation's property advisors.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Staff costs are allocated to activities on a staff time basis:

● Raising funds	16.66%
● Promotion of education	29.17%
● Support costs	25.00%
● Governance costs	29.17%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Raising funds	16.67%
● Promotion of education	83.33%

Governance costs are the costs associated with the governance arrangements of the Foundation. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Foundation's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

The freehold properties which are used for the purposes of the beneficiaries of the Foundation are stated in the balance sheet at the most recent valuation less any subsequent impairment adjustment. These properties are valued at depreciated replacement cost, on the basis that they are specialised properties. The Foundation occupies a small part of its freehold property at 31 Jewry Street and this is included in the balance sheet at the most recent valuation plus refurbishment costs incurred during the year. More details are provided in note 12.

The works of art capitalised in the balance sheet are valued every five years by professional advisors and are stated in the balance sheet at the most recent valuation less any subsequent impairment adjustment.

Neither these properties nor works of art have been depreciated. The Board Members are of the opinion that any potential depreciation charge would be immaterial to the accounts. The Board Members believe the estimated life of these assets to be very long and the estimated residual value of the assets are close to the carrying amounts.

Items of equipment are capitalised where the purchase price exceeds £5,000. Individual items of furniture and computer hardware costing in excess of £5,000 are depreciated on a straight line basis over three years. Items costing less than £5,000 are written off in the year of purchase.

1 Accounting policies (continued)

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The Foundation does not acquire put options, derivatives or other complex financial instruments.

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

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

s) Pensions

The costs of contributions to personal pension plans of employees are charged in the statement of financial activities in the year in which the contributions are payable. These relate to employees who joined the Foundation after 1990. Prior to this the Foundation operated an unfunded defined benefit retirement pension scheme. Full provision has been made for the liabilities of this scheme on the basis of actuarial advice by a recognised firm of actuaries. The adequacy of the provision is reviewed annually.

2 Detailed comparatives for the statements of financial activities

	Unrestricted £	Restricted £	Designated £	Endowment £	2017 Total £
Income from:					
Donations and legacies	1,985	-	-	-	1,985
Investments	6,788,421	-	-	-	6,788,421
Other	57,582	-	-	-	57,582
Total income	6,847,988	-	-	-	6,847,988
Expenditure on:					
Raising funds	548,897	-	-	-	548,897
Charitable activities	4,615,698	13,000	-	-	4,628,698
Other	28,000	-	-	-	28,000
Total expenditure	5,192,595	13,000	-	-	5,205,595
Net expenditure before gains on investments	1,655,393	(13,000)	-	-	1,642,393
Net gains on investments	-	-	-	4,038,417	4,038,417
Net income / (expenditure) before other recognised gains and losses	1,655,393	(13,000)	-	4,038,417	5,680,810
Gains on revaluation of fixed assets	-	-	-	-	-
Actuarial losses on defined benefit pension schemes	6,662	-	-	-	6,662
Net movement in funds	1,662,055	(13,000)	-	4,038,417	5,687,472
Total funds brought forward	2,998,675	36,416	2,906,395	141,676,046	147,617,532
Total funds carried forward	4,660,730	23,416	2,906,395	145,714,463	153,305,004

3 Income from donations and legacies

	2018 Total £	2017 Total £
Gifts	971	1,985
	971	1,985

4 Income from investments

	2018 Total £	2017 Total £
Interest received	2,574	1,556
Dividends	1,614,196	1,604,437
Rental income	2,544,060	2,163,123
Rent free accommodation	3,019,305	3,019,305
	7,180,135	6,788,421

As indicated at note 12 the Foundation does not charge the occupiers rental for the use of certain properties.

5 Other income

	2018 Total £	2017 Total £
Administration for other grant giving charities	34,039	39,007
Other property income	25,643	18,575
	59,682	57,582

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2018

6 Analysis of expenditure

	Cost of raising funds £	Promotion of education £	Governance costs £	Support costs £	Other £	2018 Total £	2017 Total £
Staff costs (Note 9)	61,195	107,148	91,830	107,148	-	367,321	332,520
Grants payable (Note 7)	-	1,359,952	-	-	-	1,359,952	1,064,651
Rent free accommodation (Note 7)	-	3,019,305	-	-	-	3,019,305	3,019,305
Maintenance of investments	8,610	-	-	-	-	8,610	28,351
Office costs	30,968	-	-	379,664	-	410,632	404,921
Professional fees	20,474	-	65,390	38,089	-	123,953	312,574
Auditors' remuneration	-	-	7,200	-	-	7,200	8,800
Board members' travel	-	-	4,911	-	-	4,911	6,473
Pension scheme – interest cost	-	-	-	-	20,000	20,000	28,000
	121,247	4,486,405	169,331	524,901	20,000	5,321,884	5,205,595
Support costs	87,501	437,400	-	(524,901)	-	-	-
Governance costs	-	169,331	(169,331)	-	-	-	-
Total expenditure 2018	208,748	5,093,136	-	-	20,000	5,321,884	
Total expenditure 2017	548,897	4,628,698	-	-	28,000		5,205,595

7 Grant making

	Grants to institutions £	Grants to individuals £	2018 £	2017 £
Cost				
Promotion of education	1,327,452	32,500	1,359,952	1,064,651
Rent free accommodation	3,019,305	-	3,019,305	3,019,305
	<u>4,346,757</u>	<u>32,500</u>	<u>4,379,257</u>	<u>4,083,956</u>

Details of grants awarded are set out in the Report of the Governors.

8 Net incoming resources for the year

This is stated after charging / crediting:

	2018 £	2017 £
Auditor's remuneration (excluding VAT):		
Audit	<u>9,300</u>	<u>9,000</u>

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	312,327	279,856
Social security costs	30,031	29,652
Employer's contribution to defined contribution pension schemes	24,963	23,013
	<u>367,321</u>	<u>332,521</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer national insurance) during the year between:

	2018 No.	2017 No.
£80,000 – £89,999	<u>1</u>	<u>1</u>

The total employee benefits, including employer pension contributions and employer national insurance, of the key management personnel were £215,401 (2017: £200,589).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £4,911 (2017: £6,473) incurred by 5 (2017: 6) trustees.

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Raising funds	1.42	1.34
Promotion of education	1.91	1.80
Administration for other grant giving charities	0.57	0.53
Support	2.48	2.33
Governance	2.12	2.00
	8.50	8.00

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Art	Freehold Property Charitable Purposes	Freehold Property Own Use	Fixtures, Fittings and Equipment	Total
	£		£	£	£
At valuation/cost					
At the start of the year	2,906,395	38,970,000	1,991,968	–	43,868,363
Revalued in year	–	12,575,000	–	–	12,575,000
Additions	–	–	314,654	76,463	391,117
At the end of the year	2,906,395	51,545,000	2,306,622	76,463	56,834,480
Depreciation					
At the start and end of the year	–	–	–	–	–
Charged in year	–	–	–	15,293	15,293
At the end of the year	–	–	–	15,293	15,293
Net book value					
At the end of the year	2,906,395	51,545,000	2,306,622	61,170	56,819,187
At the start of the year	2,906,395	38,970,000	1,991,968	–	43,868,363
Historical cost – additions	–	–	801,621	76,463	878,084

Sir John Cass's Foundation owns four properties: Sir John Cass's Foundation Primary School, Sir John Cass's Foundation and Redcoat Secondary School, Cass Halls of Residence and 31 Jewry Street. The Foundation is unable to calculate the attributable historical cost of these assets as they have been owned for many years and no information is available.

The two Schools and the Halls of Residence are used for direct charitable purposes. The Foundation does not charge the occupiers rental for the use of these properties, however, a valuation of the rent free accommodation is provided in note 4. The properties were revalued on 31 March 2018 on a depreciated replacement cost basis by Fletcher King, Chartered Surveyors. The next valuation will be at 31 March 2021.

The property at 31 Jewry Street is partly occupied by the Foundation and partly commercially let. The commercially let floors are included in investment properties (note 13). The space that is still occupied by the Foundation has been retained in tangible fixed assets. The property was revalued by Fletcher King, Chartered Surveyors on 31 October 2017 when refurbishment works were completed. The Foundation is unable to calculate the attributable historical cost of this asset as it has been owned for many years and no information is available.

The Foundation also has a collection of works of art and silver including a statue of Sir John Cass by the sculptor Louis Francois Roubilliac, a collection of painted panels by the artist Robert Robinson (dating from 1696) and an historic document archive. The Roubilliac statue is on permanent loan to the City of London Corporation and is on display in the Guildhall. The archive has also been moved to the City of London Corporation's Library at the Guildhall. The works of art were valued in 2016 by Sotheby's at £2,906,395 for insurance purposes, at the probable cost of replacing the items. The Foundation is unable to calculate the attributable historical cost of these assets as they have been owned for many years and no information is available.

These assets have not been depreciated. This is in accordance with the Foundation's accounting policy.

13 Investment properties

	2018 Total £	2017 Total £
Fair value at the start of the year	67,115,000	47,120,000
Transferred from tangible fixed assets	–	19,995,000
Revaluation during the year	8,955,000	–
Fair value at the end of the year	<u>76,070,000</u>	<u>67,115,000</u>
Retail properties	47,120,000	47,120,000
31 Jewry Street	28,950,000	19,995,000
	<u>76,070,000</u>	<u>67,115,000</u>

The investment properties were last valued on 31 March 2016 by Fletcher King, Chartered Surveyors who have advised that there is no significant change in value as at 31 March 2018, except for the property at 31 Jewry Street which they revalued on 31 October 2017 following completion of refurbishment works.

14 Listed investments

	2018 £	2017 £
Fair value at the start of the year	40,738,354	35,948,401
Additions at cost	7,975,721	28,436,774
Disposal proceeds	(8,241,920)	(27,685,238)
Net (loss) / gain on change in fair value	(515,539)	4,038,417
	<u>39,956,616</u>	<u>40,738,354</u>
Cash held by investment broker pending reinvestment	496,023	197,518
Fair value at the end of the year	<u>40,452,639</u>	<u>40,935,872</u>
Historic cost at the end of the year	<u>35,338,890</u>	<u>34,597,946</u>
Investments comprise:	2018 £	2017 £
Corporate Bonds	5,276,762	5,231,099
UK Equities	5,194,059	5,898,076
Global Equities	21,269,361	22,510,372
Alternative Investments	3,469,241	3,371,403
Property	4,111,535	3,727,404
Liquid Assets	635,658	–
Cash	496,023	197,518
	<u>40,452,639</u>	<u>40,935,872</u>

15 Debtors

	2018 £	2017 £
Trade debtors	3,184	391
Other debtors	2,288,314	1,701,608
	<u>2,291,498</u>	<u>1,701,999</u>

Included in other debtors above is rental income due of £2,242,794 (2017: £1,425,628). Rental income is recognised evenly over the term of the lease even though there may be periods where no rent or a lower amount of rent is paid. The amount included in other debtors will therefore be recovered over the lease term which will be more than 12 months after the balance sheet date.

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	12,663	5,694
Taxation and social security	25,548	17,160
Grants payable	35,700	301,000
Accruals	191,758	327,217
	<u>265,669</u>	<u>651,071</u>

17 Pension scheme

	2018 £	2017 £
Pension liability		
Balance at the start of the year	809,000	866,000
Benefits paid	(63,457)	(78,337)
Interest cost	20,000	28,000
Actuarial (gain)/loss to future pension obligations	(149,543)	(6,663)
Balance at the end of the year	<u>616,000</u>	<u>809,000</u>
Benefits payable within one year	50,000	89,000
Benefits payable after one year	566,000	720,000
	<u>616,000</u>	<u>809,000</u>

The Foundation used to operate an unfunded defined benefit pension scheme for employees of the Foundation. This scheme was closed to new members in 1990. There are currently eight members, all retired, and all obligations which exceed the accounted for liability are met out of unrestricted reserves. The pension provision is reviewed for its adequacy annually at the balance sheet date by a recognised firm of actuaries. The outstanding liability was estimated using FRS 102 methodology with the following assumptions:

	2018 % per annum	2017 % per annum
Principal actuarial assumptions at the balance sheet date		
Discount rate applied	2.6	2.5
Future pension increases	2.5	2.5
Mortality tables	S2PxA CMI_2017 1.2% pa	S2PxA CMI_2015 1.2%pa
History of experience gains and losses		
Experience gain/(loss) arising on scheme liabilities	144,000	52,000
Percentage of present value of scheme liabilities	23.4%	6.4%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	18,000	(44,000)
Percentage of present value of scheme liabilities	<u>-2.9%</u>	<u>5.4%</u>

The actuarial valuation of the liability over the preceding five years has been as follows:

	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000
	895	925	866	809	616

18a Analysis of net assets between funds (current year)

	Total unrestricted £	Restricted £	Permanent endowment £	Total funds £
Tangible fixed assets	2,967,565	–	53,851,622	56,819,187
Investment properties	–	–	76,070,000	76,070,000
Investments	3,645,337	–	36,807,302	40,452,639
Net current assets	3,650,670	11,416	–	3,662,086
Defined benefit pension liability	(616,000)	–	–	(616,000)
Net assets at the end of the year	9,647,572	11,416	166,728,924	176,387,912

18b Analysis of net assets between funds (prior year)

	Total unrestricted £	Restricted £	Permanent endowment £	Total funds £
Tangible fixed assets	2,906,395	–	40,961,968	43,868,363
Investment properties	–	–	67,115,000	67,115,000
Investments	3,298,377	–	37,637,495	40,935,872
Net current assets	2,171,353	23,416	–	2,194,769
Long term liabilities	–	–	–	–
Defined benefit pension liability	(809,000)	–	–	(809,000)
Net assets at the end of the year	7,567,125	23,416	145,714,463	153,305,004

19a Movements in funds (current year)

	At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2018 £
Restricted funds:					
Cass School of Art, Design and Architecture	250	–	–	–	250
Sir John Cass's Foundation – Lord Mayor Scholarship	23,166	–	(12,000)	–	11,166
Total restricted funds	23,416	–	(12,000)	–	11,416
Unrestricted funds:					
Designated funds:					
Art reserve	2,906,395	–	–	–	2,906,395
Rental income reserve	–	–	–	2,242,794	2,242,794
Grant enabling fund	–	–	–	750,000	750,000
Total designated funds	2,906,395	–	–	2,992,794	5,899,189
General funds	4,660,730	7,390,331	(5,309,884)	(2,992,794)	3,748,383
Total unrestricted funds	7,567,125	7,390,331	(5,309,884)	–	9,647,572
Endowment funds	145,714,463	21,530,000	(515,539)	–	166,728,924
Total funds	153,305,004	28,920,331	(5,837,423)	–	176,387,912

19b Movements in funds (prior year)

	At 31 March 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Cass School of Art, Design and Architecture	250	-	-	-	250
Sir John Cass's Foundation – Lord Mayor Scholarship	36,166	-	(13,000)	-	23,166
Total restricted funds	36,416	-	(13,000)	-	23,416
Unrestricted funds:					
Designated funds:					
Art reserve	2,906,395	-	-	-	2,906,395
General funds	2,998,675	6,645,319	(4,983,264)	-	4,660,730
Total unrestricted funds	5,905,070	6,645,319	(4,983,264)	-	7,567,125
Endowment funds	141,676,046	4,038,417	-	-	145,714,463
Total funds	147,617,532	10,683,736	(4,996,264)	-	153,305,004

Purposes of restricted funds

Cass School of Art, Design and Architecture – a donation was received to create a scholarship at the Cass Faculty. The scholarship award is intended for talented students who are in financial difficulty.

Sir John Cass's Foundation – Lord Mayor Scholarship fund was established to support the Foundation in providing scholarships of up to £7,000 per annum to scholars to assist with their undergraduate studies. Sir John Cass's Foundation provides two-thirds of the funding for scholarships, with one-third of the funding coming from the Lord Mayor's office.

Purposes of designated funds

The Art Reserve represents the valuation of the artefacts including the Roubiliac statue of Sir John Cass.

The Rental Income Reserve represents rental income accrued under FRS 102 which will be received in future years.

The Grant Enabling Fund is to accommodate future grant applications for projects that are likely to have a significant impact on the education opportunities for disadvantaged young people.

20 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	10,358,365	5,680,810
(Gains)/losses on investments	(8,439,461)	(4,038,417)
(Gains)/losses on pension valuation	149,543	6,662
Dividends, interest and rent from investments	(4,160,830)	(3,769,116)
(Profit)/loss on the disposal of fixed assets	-	-
Depreciation	15,293	-
Decrease/(increase) in debtors	(589,499)	(1,496,266)
Increase/(decrease) in creditors	(385,402)	(291,765)
Increase/(decrease) in pension liability	(193,000)	31,500
Net cash used in operating activities	(3,244,991)	(3,876,592)

21 Analysis of cash and cash equivalents

	At 1 April 2017 £	Cash flows £	Other changes £	At 31 March 2018 £
Cash at bank and in hand	1,143,841	492,416	–	1,636,257
Cash held as part of investments	197,518	298,505	–	496,023
Total cash and cash equivalents	1,341,359	790,921	–	2,132,280

22 Future commitments

At the balance sheet date the Foundation had made future commitments in respect of grants made over a term of years, subject to conditions and subsequent Foundation approval:

	2018 £	2017 £
Within one year	572,289	445,823
Between one and two years	452,266	265,740
Between two and four years	–	207,000
	1,024,555	918,563

23 Operating lease commitments receivable

The Foundation's total future minimum lease payments receivable under non-cancellable operating leases in respect of properties let out are as follows for each of the following periods:

	2018 £	2017 £
Within one year	2,528,482	2,528,482
Between two and five years	10,113,928	10,113,928
After five years	55,222,113	57,750,595
	67,864,523	70,393,005

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2018

24. Related parties

Related party	Property arrangements	Nominations by Sir John Cass's Foundation to Board of related party	Fees received	Grants agreed and/or paid in the year	Benefits received in the year	Total grants and benefits received in the year
Sir John Cass's Foundation Primary School	Freehold of the School owned by the Foundation	Four members of the Governing Body		£165,039	£397,245	£562,284
Sir John Cass's Foundation and Redcoat Secondary School	Freehold of the School owned by the Foundation	Four members of the Governing Body		£68,000	£1,953,756	£2,021,756
Aldgate and Allhallows Foundation	Shares offices and administered by staff of the Foundation		£34,039			£34,039
City University		One Council Member, Two Court Members & Two Members to Cass Business School Advisory Board and member of Strategy and Development Board		£100,000		£100,000
Cass & Claredale Halls of Residence	Freehold owned by the Foundation				£668,304	£668,304

Richard Foley is the Clerk to the Governors/Chief Executive of Aldgate and Allhallows Foundation.

David Hogben and Jenny Moseley are both Trustees of The Wellington Trust. During the year the Foundation awarded a grant of £63,895 to The Wellington Trust.

David Hogben is a member of University of East London's University Technical College (UTC) Board. During the year the Foundation awarded a grant of £69,500 to the UTC.

Kevin Everett is the Executive Chairman of The Milestone Foundation. During the year the Foundation awarded a grant of £75,925 to The Milestone Foundation.

All of the above grants were made in accordance with the Foundation's normal grants policy.