

Charity number: 312425

Sir John Cass's Foundation

Report and financial statements
Annual report 2016

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2016

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 Borough of Kensington and Chelsea, the Royal Borough of Greenwich and the London Boroughs of Camden, Hackney, Hammersmith and Fulham, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and the City of Westminster.

The Foundation's Board of Governors

Name	Office	Committee/s
Deputy Kevin Everett OSTJ DSc	Treasurer and Chairman	Grants, Staff Remuneration, Nomination and Investment (ad hoc)
David Hogben	Chairman of Audit & Compliance	Audit & Compliance, Grants, Staff Remuneration, Nomination and Investment (ad hoc)
Alderman Dr Ray Ellis C.Chem. FRSC (passed away on 18 April 2015)	Chairman of Grants & Deputy Treasurer	Grants, Staff Remuneration, Nomination and Investment (ad hoc)
John Hall (appointed 24 August 2015)	Deputy Chairman of Grants	Grants
HH Brian Barker CBE QC		Audit & Compliance
Paul Bloomfield MStJ		Grants and Audit & Compliance
The Reverend Trevor Critchlow		
Graham Forbes		Audit & Compliance and Investment (ad hoc)
The Reverend Laura Jørgensen		Grants
Helen Meixner CMG	Chairman of Grants	Grants and Staff Remuneration
Jenny Moseley		Grants
Mervyn Streatfeild	Honorary Governor	Grants
Professor Mike Thorne CBE	Deputy Treasurer	Grants, Staff Remuneration, Nomination
Sophie Fernandes CC		Grants and Nomination

Principal officers

Richard Foley	Clerk / Chief Executive
Paul James	Head of Administration & Support
Tracey Bloomfield	Grants Manager

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2016

Bankers	Coutts 440 Strand London WC2R 0QS
Solicitors	Howard Kennedy FSi 19 Cavendish Square London W1A 2AW
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 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
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

Sir John Cass's Foundation

Treasurer's report

For the year ended 31 March 2016

The Foundation had a successful year with both the value of its assets and the level of its grants making increasing significantly in the year.

This year the Board awarded grants of approximately £3.4m with a further £0.9m of grants to be awarded in 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 Sole Trustee; Sir John Cass's Foundation Primary School and Sir John Cass's Foundation & Redcoat Secondary School, as well as Cass and Claredale Halls of Residence, and until the 31 July 2015, London Metropolitan University, equating to a significant cash benefit to each of these educational institutions totalling approximately £3.28m.

I was delighted that the Foundation agreed two substantial grants to "Cass Institutions" during the year. Firstly, the Board approved a grant of £2.6m to London Metropolitan University which is to be paid over three years towards widening participation initiatives in London. The Foundation is aware many students find it hard to make ends meet and that means tested maintenance grants for undergraduate students will be discontinued from September 2016.

Secondly, the Foundation awarded a grant of £500,000 to the Cass Business School to establish a new five year programme, connecting Cass Business School to local state secondary schools through a combination of individual mentoring and group coaching delivered by undergraduates to pupils aged 14–18. One of the schools included will be the Foundation's own secondary school, which will shortly be celebrating its 50th Anniversary since it was established by the Foundation in 1966. The grant is to be paid over five years and will require a robust evaluation report at the end of each year to ensure progress is being made towards the stated outcomes.

Matching the £500,000 donation, the Cass Business School will work with the Foundation to develop The School Engagement Programme – an exceptional new initiative enabling Cass BSc Management students to work with GCSE and A-level pupils helping to boost academic attainment, prepare for higher education and support transition to the world of work. Priority will be given to students eligible for Pupil Premium support, with a focus on numeracy and literacy – a gap in the A-level curriculum which is often exposed in higher education. Uniquely, Cass Business School students who participate will be able to develop essential management and communication skills and will receive an academic credit to reflect the importance of business skills developed through mentoring.

The Foundation continues to advance its mission to help educate London's young people living in low-income and disadvantaged communities. It launched a major fundraising campaign last year to significantly support new innovation enabling more young people to benefit from outstanding educational interventions. It continued to inform and stimulate debate on future education policy at its annual Cass Foundation Lecture. The 9th Lecture was delivered by Lord Baker of Dorking CH and entitled "The Intelligent Hand: How we can solve the problem of people without jobs and jobs without people. The Foundation also provides support for the Festival of Education, a two day event held at Wellington College in June 2015.

Sir John Cass's Foundation

Treasurer's report

For the year ended 31 March 2016

I am delighted to report that the Foundation not only obtained vacant possession of its Jewry Street headquarters during the year, but also, in July 2016, a 20 year lease agreement was signed with David Game College. This will provide the Foundation with an additional, considerable income stream from which it can assist many more beneficiaries.

I would like to thank my fellow Board members who have again this year spent an enormous amount of time on Foundation business, particularly visiting beneficiaries and representing the Foundation at external events. I would also like to take this opportunity to pay tribute to Alderman Dr Ray Ellis, the Deputy Treasurer and Chairman of the Grants Committee, who sadly passed away on the 18 April 2015. Ray served on the Board of the Foundation for nine years but contributed considerably more than those years would imply through his dedication, commitment and progressive vision. A memorial service to celebrate Ray's life was held at Carpenters' Hall on 30 March 2016.

Finally, the Board joins me in thanking and appreciating both our existing and new members of staff, (Paul James, Tracey Bloomfield, Katie Slater and Anne Dance) ably led by Richard Foley, the Clerk and Chief Executive, who along with the team continue with their enthusiasm and hard work on behalf of the Foundation.

Deputy Dr Kevin Everett
Treasurer of the Foundation and Chairman of the Board

Report of the Governors

For the year ended 31 March 2016

The Board present their report and the audited financial statements for the year ended 31 March 2016. 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 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. 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 21 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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

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 six times during the financial year 2015/16.

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

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 Schools Governing Body of each school as per the Governing Document and as a result of the substantial on-going 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.

Risk Management

A complete review of the Foundation's Risk Management Policy and Processes has been undertaken. A new style Risk Register has been created and an updated Risk Policy has been adopted. At each meeting of the Foundation's Board of Governors, the Clerk presents a "Major Risk Summary" which highlights the risks identified with a "major" risk score, i.e. the most significant currently facing the Foundation. In each case the most recent status is reported together with any remedial, mitigating or outstanding actions. Examples of the major reported risks were; a) the lack of an agreed Instrument of Government at both Foundation Schools – action: the Foundation is in dialogue with both schools, their local authorities and the Charity Commission; b) the running costs and lack of rental income at 31 Jewry Street – action: the Foundation has aggressively marketed the property through its agent and a tenant has now been identified; and c) the reputational risk suffered following the proposed 2 Form Entry at the Foundation's Primary School – action: discussions are ongoing with the interested parties.

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:

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

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.

During the year the Foundation provided rent-free buildings to the Sir John Cass's Foundation Primary and Secondary Schools, London Metropolitan University and to the Cass and Claredale Halls of Residence; these buildings equate to a substantial direct cash benefit totalling approximately £3.3m. The Foundation also meets the full cost of Founder's Day from which both Cass Schools benefited.

Grants Strategy

The Foundation's grants strategy identifies four priorities as follows:

1 Widening Participation:

- Promote access to further and higher education for disadvantaged young people in Inner London.

2 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.

3 Prisoner Education:

- Reduce re-offending through education and initiatives that promote employability.

4 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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

- Influence and improve education policy and practice, both within the Foundation's area of benefit and more widely.

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

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 £3,433,778 (£505,242 in 2014/15) in grants during the year as follows:

Grants Programmes	£
Foundation's Schools	£87,485
Grants to Organisations working with Foundation's Schools	£85,000
Other Cass Institutions	£2,735,216
Organisations	£378,577
Individuals	£147,500
TOTAL	£3,433,778

Grant Making to Individuals

Bursaries totalling £8,000 were made to eight 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 by John Hall, a Governor of the Foundation at the Annual Prize Giving Evening held at Sir John Cass's Foundation Secondary Church of England School in autumn, 2015.

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

Sir John Cass's Foundation Lord Mayor's Scholarships	£139,500
Individual Grants to Old Cassians and other students	£8,000
Total	£147,500

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 effective 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.

Promotion & Communications

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

Two 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 seventh Sir John Cass's Foundation Lecture delivered at the Cass Business School in November 2015 by Lord Baker of Dorking CH entitled "The Intelligent Hand". Lord Baker 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.

Festival of Education

The Foundation was a major sponsor of the Festival of Education which was held over two days at Wellington College in Berkshire in June 2015. The Festival of Education attracted nearly 5,000 visitors and approximately 150 speakers, including Secretary and Shadow Secretary of State for Education and other 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 by almost 4% (excluding rent free accommodation); from £2,028,821 in 2014/15 to £2,107,562 in 2015/16. The Foundation's listed investments decreased in value by slightly over 6% from £39,301,790 at 31 March 2015 to £36,897,460 at 31 March 2016. The Foundation's investment properties were revalued in the year to £47,120,000 which represented an overall increase of £18,636,250.

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.

At 31 March 2016 the Foundation's general unrestricted funds were £2.1m of which £600,000 is the Foundation's operating reserve as indicated above. This leaves a grant enabling fund of £1.5m to meet future grant applications including the Foundation's future commitments of nearly £900,000 reported at note 23 to the accounts.

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

ACHIEVEMENTS & PERFORMANCE – 2015/16

Grant Making

Organisation Name	Grant
Grants to Foundation's Schools	£87,485
Sir John Cass's Foundation Primary School (Cass Benefits and Bursaries)	£17,640
Sir John Cass's Foundation Secondary School (Cass Benefits and Bursaries)	£69,845
Grants to Organisations working with the Foundation's Schools	£85,000
Hampshire County Council (Cass Foundation Mountain Centre)	£70,000
Mosaic	£15,000
Grants to Cass Institutions	£2,735,216
London Metropolitan University	£2,600,000
City University (Cass Business School)	£100,000
University of East London (Sports Bursaries)	£25,000
Sir John Cass's Foundation Lecture at the Cass Business School	£10,216
Total Grants to Foundation's Schools and Cass Institutions	£2,907,701
Total Grants to Organisations	£378,577
The Charterhouse	£50,000
University of the Arts (London College of Fashion / Art Against Knives)	£46,690
The Wellington Trust	£44,049
British Academy (Small Research Grants Programme)	£40,000
Raleigh International	£35,950
University of the Arts (London College of Fashion)	£35,500
Pembroke College, University of Cambridge (Cass Scholarships)	£30,000
Building Crafts College (Hardship Grants and Cass Scholarship)	£26,000
Country Trust	£21,680
The British Postal Museum & Archive	£16,040
Prisoners' Education Trust	£11,900
Goose Green Primary School	£9,801
Mayor of London's Fund for Young Musicians	£6,000
Roundabout	£4,967
Grants to Individuals	£147,500
Total Grants	£3,433,778

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 partners 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 Foundation efficiency.
- extending the Foundation's academy involvement through direct sponsorship.
- continue to work with the Fundraising Consultant to augment the Foundation's grants budget

The Proposed Sir John Cass Square in the City of London

During the year discussions continued with the City of London Corporation about the establishment of a Sir John Cass Square in Aldgate in the City of London. The Foundation's original school, and the Foundation have been based in Aldgate since 1710 and 1748 respectively. The Sir John Cass Square could be used as an educational resource by both institutions.

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2016

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.

Auditors

Sayer Vincent LLP were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Board on 19 October 2016 and signed on their behalf by:

Kevin Everett

Treasurer & Chairman of the Board

SIGNATURE:

19 October 2016

Independent auditors' report

To the Board of Governors

Sir John Cass's Foundation

We have audited the financial statements of Sir John Cass's Foundation for the year ended 31 March 2016 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Board of 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 Governors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Board of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Statement of Governors' responsibilities set out in the report of the Governors, the Governors are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Governors 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.

Independent auditors' report

To the Board of Governors

Sir John Cass's Foundation

Opinion on Financial Statements

- In our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs as at 31 March 2016, 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Date: 2 December 2016

Sayer Vincent LLP, Statutory Auditors, Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as an 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 2016

						2016	2015
	Note	Unrestricted £	Restricted £	Designated £	Permanent Endowment £	Total £	Total £
Income from:							
Donations and legacies	3	553	25,250	-	-	25,803	85,943
Investments	4	5,384,602	-	-	-	5,384,602	6,079,065
Other	5	99,902	-	-	-	99,902	35,391
Total income		5,485,057	25,250	-	-	5,510,307	6,200,399
Expenditure on:							
Raising funds	6	421,507	-	-	-	421,507	150,838
Charitable activities							
Promotion of education	6	7,289,824	71,500	-	-	7,361,324	5,068,605
Other		27,000	-	-	-	27,000	37,000
Total expenditure		7,738,331	71,500	-	-	7,809,831	5,256,443
Net (expenditure) / income before net gains on investments		(2,253,274)	(46,250)	-	-	(2,299,524)	943,956
Net gains on investments		-	-	-	16,231,919	16,231,919	2,968,611
Net income / (expenditure) before other recognised gains and losses		(2,253,274)	(46,250)	-	16,231,919	13,932,395	3,912,567
Gains on revaluation of fixed assets		-	-	497,850	-	497,850	-
Actuarial losses on defined benefit pension schemes		(1,851)	-	-	-	(1,851)	(79,855)
Net movement in funds		(2,255,125)	(46,250)	497,850	16,231,919	14,428,394	3,832,712
Reconciliation of funds:							
Total funds brought forward		5,253,800	82,666	2,408,545	125,444,127	133,189,138	129,356,426
Total funds carried forward		2,998,675	36,416	2,906,395	141,676,046	147,617,532	133,189,138

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 20.

Sir John Cass's Foundation

Balance sheet

As at 31 March 2016

	Note	£	2016 £	2015 £
Fixed assets:				
Tangible assets	12		63,376,395	62,878,545
Investment properties	13		47,120,000	28,483,750
Investments	14		36,897,460	39,301,790
			<u>147,393,855</u>	<u>130,664,085</u>
Current assets:				
Debtors	15	205,733	251,864	
Cash at bank and in hand		1,738,236	3,474,212	
		<u>1,943,969</u>	<u>3,726,076</u>	
Liabilities:				
Creditors: amounts falling due within one year	16	554,292	276,023	
			<u>1,389,677</u>	<u>3,450,053</u>
Net current assets				
			<u>148,783,532</u>	<u>134,114,138</u>
Total assets less current liabilities				
Creditors: amounts falling due after one year	17	(300,000)		
			<u>148,483,532</u>	<u>134,114,138</u>
Net assets excluding pension asset liability				
Defined benefit pension scheme asset / (liability)	18	(866,000)	(925,000)	
			<u>147,617,532</u>	<u>133,189,138</u>
Total net assets				
The funds of the charity:				
Permanent endowment funds	20		141,676,046	125,444,127
Restricted income funds			36,416	82,666
Unrestricted income funds:				
Designated funds		2,906,395	2,408,545	
Pension reserve		866,000	925,000	
General funds		2,132,675	4,328,800	
		<u>5,905,070</u>	<u>7,662,345</u>	
Total unrestricted funds			<u>5,905,070</u>	<u>7,662,345</u>
Total charity funds			<u>147,617,532</u>	<u>133,189,138</u>

Approved by the trustees on 19 October 2016 and signed on their behalf by

Kevin Everett
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 2016

	Note	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash used in operating activities	21	(3,843,537)		(1,300,001)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		2,107,562		2,028,821	
Proceeds from sale of investments		8,385,233		5,113,550	
Purchase of investments		(7,630,146)		(5,019,760)	
Net cash used in investing activities		<u>2,862,649</u>		<u>2,122,611</u>	
Change in cash and cash equivalents in the year		(980,888)		822,610	
Cash and cash equivalents at the beginning of the year		<u>3,668,183</u>		<u>2,845,573</u>	
Cash and cash equivalents at the end of the year	22	<u><u>2,687,295</u></u>		<u><u>3,668,183</u></u>	

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. No adjustments were required.

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 legacies, entitlement is taken as the earlier of the date on which either: the Foundation is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Foundation that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Foundation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Foundation, or the Foundation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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, Cass and Claredale Halls of Residence and London Metropolitan University. 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	16.67%
● Promotion of education	29.17%
● Support costs	29.17%
● Governance costs	25.00%

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 Foundation or its beneficiaries 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. The Foundation's properties are valued at depreciated replacement cost, on the basis that the Foundation owns specialised properties. 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. Cash balances exclude any funds held on behalf of service users.

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.

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.

r) 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 £	2015 Total £
Income from:					
Donations and legacies	10,943	75,000	-	-	85,943
Investments	6,079,065	-	-	-	6,079,065
Other	35,391	-	-	-	35,391
Total income	6,125,399	75,000	-	-	6,200,399
Expenditure on:					
Raising funds	150,838	-	-	-	150,838
Charitable activities	4,993,271	75,334	-	-	5,068,605
Other	37,000	-	-	-	37,000
Total expenditure	5,181,109	75,334	-	-	5,256,443
Net income / expenditure before gains / (losses) on investments	944,290	(334)	-	-	943,956
Net gains / (losses) on investments	-	-	-	2,968,611	2,968,611
Net income / (expenditure) before other recognised gains and losses	944,290	(334)	-	2,968,611	3,912,567
Gains / (losses) on revaluation of fixed assets	-	-	-	-	-
Actuarial gains / (losses) on defined benefit pension schemes	(79,855)	-	-	-	(79,855)
Net movement in funds	864,435	(334)	-	2,968,611	3,832,712
Total funds brought forward	4,389,365	83,000	2,408,545	122,475,516	129,356,426
Total funds carried forward	5,253,800	82,666	2,408,545	125,444,127	133,189,138

3 Income from donations and legacies

	2016 Total £	2015 Total £
Gifts	25,803	85,943
	25,803	85,943

Significant donations were received during the year from Garfield Weston Foundation, The Worshipful Company of Weavers and The Northern Polytechnic Masonic Lodge.

4 Income from investments

	2016 Total £	2015 Total £
Interest received	3,409	4,706
Dividends	1,366,546	1,285,362
Rental income	737,607	738,753
Rent free accommodation	3,277,040	4,050,244
	5,384,602	6,079,065

As indicated at note 12 the Foundation does not charge the occupiers rental for the use of certain properties. During the year the Foundation obtained vacant possession of 31 Jewry Street and the value of the rent free accommodation in respect of that property has been reduced accordingly.

5 Other income

	2016 Total £	2015 Total £
Administration for other grant giving charities	34,902	35,391
Other property income	65,000	-
	99,902	35,391

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2016

6 Analysis of expenditure

	Cost of raising funds £	Promotion of education £	Governance costs £	Support costs £	Other £	2016 Total £	2015 Total £
Staff costs (Note 9)	51,455	90,047	77,183	90,047	-	308,732	280,976
Grants payable (Note 7)	-	3,433,778	-	-	-	3,433,778	505,242
Rent free accommodation (Note 7)	-	3,277,040	-	-	-	3,277,040	4,050,244
Maintenance of investments	12,112	-	-	-	-	12,112	8,613
Office costs	192,030	-	-	292,296	-	484,326	208,740
Professional fees	101,969	-	149,162	1,000	-	252,131	141,121
Auditors' remuneration	-	-	8,750	-	-	8,750	8,550
Board members' travel	-	-	5,736	-	-	5,736	12,046
Staff training	-	-	-	226	-	226	3,911
Pension scheme – interest cost	-	-	-	-	27,000	27,000	37,000
	<u>357,566</u>	<u>6,800,865</u>	<u>240,831</u>	<u>383,569</u>	<u>27,000</u>	<u>7,809,831</u>	<u>5,256,443</u>
Support costs	63,941	319,628	-	(383,569)	-	-	-
Governance costs	-	240,831	(240,831)	-	-	-	-
Total expenditure 2016	<u>421,507</u>	<u>7,361,324</u>	<u>-</u>	<u>-</u>	<u>27,000</u>	<u>7,809,831</u>	<u>5,256,443</u>
Total expenditure 2015	<u>150,838</u>	<u>5,068,605</u>	<u>-</u>	<u>-</u>	<u>37,000</u>		

Of the total expenditure, £7,738,331 was unrestricted (2015: £5,144,109) and £71,500 was restricted (2015: £75,334).

7 Grant making

	Grants to institutions £	Grants to individuals £	2016 £	2015 £
Cost				
Promotion of education	3,286,278	147,500	3,433,778	505,242
Rent free accommodation	3,277,040	-	3,277,040	4,050,244
	<u>6,563,318</u>	<u>147,500</u>	<u>6,710,818</u>	<u>4,555,486</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:

	2016 £	2015 £
Auditors' remuneration (excluding VAT):		
Audit	8,550	8,700
	<u>8,550</u>	<u>8,700</u>

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	261,706	233,069
Social security costs	27,712	23,622
Employer's contribution to defined contribution pension schemes	19,314	24,285
	<u>308,732</u>	<u>280,976</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 No.	2015 No.
£60,000 – £69,999	-	2
£70,000 – £79,999	1	-
	<u>1</u>	<u>2</u>

The total employee benefits including pension contributions of the key management personnel were £148,107 (2015: £132,401).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £5,736 (2015: £12,046) incurred by 8 (2015: 9) members relating to attendance at meetings of the trustees.

10 Staff numbers

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

	2016 No.	2015 No.
Raising funds	1.00	1.00
Promotion of education	2.35	1.35
Administration for other grant giving charities	0.40	0.40
Support	2.33	1.75
Governance	1.50	1.50
	7.58	6.00
	7.58	6.00

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 £	Total £
At valuation			
At the start of the year	2,408,545	60,470,000	62,878,545
Revaluation during the year	497,850	-	497,850
	2,906,395	60,470,000	63,376,395
At the end of the year	2,906,395	60,470,000	63,376,395
Depreciation			
At the start and end of the year	-	-	-
Net book value			
At the end of the year	2,906,395	60,470,000	63,376,395
	2,906,395	60,470,000	63,376,395
At the start of the year	2,408,545	60,470,000	62,878,545
	2,408,545	60,470,000	62,878,545

Sir John Cass's Foundation owns four properties (Sir John Cass's Foundation Primary School, Sir John Cass's Foundation and Redcoat Secondary School, 31 Jewry Street and Cass Halls of Residence). These properties 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.

These properties were revalued on 31 March 2013 on a depreciated replacement cost basis by Fletcher King, Chartered Surveyors as follows: 31 Jewry Street – £21,500,000; Primary School – £8,195,000; Secondary School – £24,650,000; and Halls of Residence – £6,125,000. The next valuation will be at 31 March 2018.

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 Roubiliac 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.

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

13 Investment properties

	2016 £	2015 £
Fair value at the start of the year	28,483,750	28,483,750
Revaluation during the year	18,636,250	-
Fair value at the end of the year	<u>47,120,000</u>	<u>28,483,750</u>

The properties were last valued on 31 March 2016 by Fletcher King, Chartered Surveyors.

14 Listed investments

	2016 £	2015 £
Fair value at the start of the year	39,107,819	36,232,998
Additions at cost	7,630,146	5,019,760
Disposal proceeds	(8,385,233)	(5,113,550)
Net (loss) / gain on change in fair value	(2,404,331)	2,968,611
	<u>35,948,401</u>	<u>39,107,819</u>
Cash held by investment broker pending reinvestment	949,059	193,971
Fair value at the end of the year	<u>36,897,460</u>	<u>39,301,790</u>
Historic cost at the end of the year	<u>31,142,420</u>	<u>31,004,939</u>

Investments comprise:

	2016 £	2015 £
UK Common investment funds	35,948,401	39,107,819
Cash	949,059	193,971
	<u>36,897,460</u>	<u>39,301,790</u>

Investments representing over 5% by value of the portfolio comprise:

	2016 £	2015 £
Sarasin Equisar – Global Thematic (Sterling Hedged)	3,709,589	4,205,994
Sarasin Equisar – Global Thematic	4,550,572	4,972,828
Sarasin Global Higher Dividend (Sterling Hedged)	5,461,674	5,876,867
Sarasin International Higher Dividend	5,517,638	5,720,462

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2016

15 Debtors

	2016 £	2015 £
Trade debtors	155,576	120,379
Other debtors	50,157	131,485
	<hr/>	<hr/>
	205,733	251,864
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	52,277	55,352
Taxation and social security	14,845	5,381
Grants payable	300,000	26,023
Accruals	187,170	189,267
	<hr/>	<hr/>
	554,292	276,023
	<hr/> <hr/>	<hr/> <hr/>

17 Creditors: amounts falling due after one year

	2016 £	2015 £
Grants payable within 2 to 5 years	300,000	-
	<hr/>	<hr/>
	300,000	-
	<hr/> <hr/>	<hr/> <hr/>

18 Pension scheme

	2016 £	2015 £
Pension liability		
Balance at the start of the year	925,000	895,000
Benefits paid	(87,851)	(86,855)
Interest cost	27,000	37,000
Actuarial (gain)/loss to future pension obligations	1,851	79,855
	<u>866,000</u>	<u>925,000</u>
Balance at the end of the year		
	<u>866,000</u>	<u>925,000</u>
Benefits payable within one year	88,500	87,000
Benefits payable after one year	777,500	838,000
	<u>866,000</u>	<u>925,000</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:

	2016 % per annum	2015 % per annum
Principal actuarial assumptions at the balance sheet date		
Discount rate applied	3.4	3.1
Future pension increases	2.5	2.5
Mortality tables	S1PXA CMI_2015 LTR 1.2%pa	S1PXA CMI_2014 LTR 1.2%pa
History of experience gains and losses		
Experience gain/(loss) arising on scheme liabilities	-34,000	19,000
Percentage of present value of scheme liabilities	3.9%	2.1%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	32,000	-100,000
Percentage of present value of scheme liabilities	3.7%	10.8%

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

	2012 £'000	2013 £'000	2014 £'000	2015 £'000	2016 £'000
	1149	969	895	925	866

19 Analysis of net assets between funds

	Total unrestricted £	Restricted £	Permanent endowment £	Total funds £
Tangible fixed assets	2,906,395	–	60,470,000	63,376,395
Investment properties	–	–	47,120,000	47,120,000
Investments	2,811,414	–	34,086,046	36,897,460
Net current assets	1,353,261	36,416	–	1,389,677
Long term liabilities	(300,000)	–	–	(300,000)
Defined benefit pension liability	(866,000)	–	–	(866,000)
Net assets at the end of the year	5,905,070	36,416	141,676,046	147,617,532

20 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
London College of Fashion – Fashion and Manufacturing Unit	–	25,000	(25,000)	–	–
Cass School of Art, Design and Architecture	–	250	–	–	250
Sir John Cass's Foundation – Lord Mayor Scholarship	82,666	–	(46,500)	–	36,166
Total restricted funds	82,666	25,250	(71,500)	–	36,416
Unrestricted funds:					
Designated funds:					
Art reserve	2,408,545	497,850	–	–	2,906,395
Pension reserve	925,000	–	(59,000)	–	866,000
General funds	4,328,800	5,485,057	(7,681,182)	–	2,132,675
Total unrestricted funds	7,662,345	5,982,907	(7,740,182)	–	5,905,070
Endowment funds	125,444,127	16,231,919	–	–	141,676,046
Total funds	133,189,138	22,240,076	(7,811,682)	–	147,617,532

20 Movements in funds (continued)**Purposes of restricted funds**

London College of Fashion – Fashion and Manufacturing Unit was set up by the London College of Fashion in collaboration with the Ministry of Justice in HMP Holloway in 2014. The purpose of the unit is to equip female prisoners with skills and qualifications in a sector where there is currently a skills gap in London with the aim of aiding them to gain employment on release. The Fashion and Manufacturing Unit was relocated to HMP Downview in 2016.

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.

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

	2016 £	2015 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	13,932,395	3,912,567
Gains on investments	(16,231,919)	(2,968,611)
Dividends, interest and rent from investments	(2,107,562)	(2,028,821)
Decrease/(increase) in debtors	46,131	(172,956)
Increase/(decrease) in creditors	517,418	(42,180)
Net cash used in operating activities	(3,843,537)	(1,300,001)

22 Analysis of cash and cash equivalents

	At 1 April 2015 £	Cash flows £	Other changes £	At 31 March 2016 £
Cash at bank and in hand	3,474,212	(1,735,976)	–	1,738,236
Cash held as part of investments	193,971	755,088	–	949,059
Total cash and cash equivalents	3,668,183	(980,888)	–	2,687,295

23 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:

	2016 £	2015 £
Within one year	482,430	2,483,840
Between one and two years	199,900	704,340
Between two and three years	200,000	445,880
	882,330	3,634,060

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2016

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		£17,640	£397,245	£397,245
Sir John Cass's Foundation and Redcoat Secondary School	Freehold of the School owned by the Foundation	Four members of the Governing Body		£69,845	£1,953,756	£2,023,601
Aldgate and Allhallows Foundation	Shares offices and administered by staff of the Foundation		£34,902			
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
London Metropolitan University	Occupies Foundation's premises at 31 Jewry Street, London	One Council Member		£2,600,000	£257,735	£2,857,735
Cass & Claredale Halls of Residence	Freehold owned by the Foundation				£668,304	£668,304

In addition, David Hogben and Jenny Moseley are both Trustees of The Wellington Trust. During the year the Foundation awarded a grant of £44,049 to The Wellington Trust. The award was made in accordance with the Foundation's normal grants policy.