

Charity number: 312425

Sir John Cass's Foundation
Report and Financial Statements
Annual report 2014

sayer vincent

auditors and advisors

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2014

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, and the London Boroughs of Camden, Greenwich, 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
Kevin Everett OSt.J DSc CC	Treasurer and Chairman	Grants, Staff Remuneration and Nomination
David Turner FRICS Until 29th January 2014	Deputy Treasurer and Chairman Until 29 th January 2014	Grants, Staff Remuneration and Nomination
David Hogben	Chairman of Audit & Compliance	Audit & Compliance, Grants, Staff Remuneration and Nomination
Dr Ray Ellis C. Chem. FRSC	Chairman of Grants and Deputy Treasurer from 20 th February 2014	Grants, Staff Remuneration and Nomination
Dominic Alexander Until 29th January 2014		
HH Judge Brian Barker QC		Audit & Compliance
Paul Bloomfield		Grants and Audit & Compliance
Bishop Christopher Chessun Until 31st July 2013		
The Reverend Trevor Critchlow		
Sarah Dalgarno ACII Until 29th January 2014		Audit & Compliance and Nominations
Graham Forbes		Audit and Compliance
The Reverend Laura Jørgensen BSc BTh ARSM		Grants
Helen Meixner CMG		Grants and Staff Remuneration
Jenny Moseley		Grants and Nominations
Colin Powell Until 29th January 2014		
Mervyn Streatfeild MA (Oxon) Until 29th January 2014	Honorary Governor from 20 th February 2014	Grants
Professor Mike Thorne		
Inigo Woolf FCIB BEM Until 29th January 2014		
Sophie Fernandes CC		Grants

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For the year ended 31 March 2014

Principal officers	Anthony Mullee Richard Foley	Clerk / Chief Executive Deputy Clerk/ Chief Executive
Bankers	Coutts & Co 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 (Formerly called Gissings Consultancy Services) Ludgate House 2nd Floor 245 Blackfriars Road London SE1 9UF	
Accountants	Myers Clark Chartered Accountants and Statutory Auditors Iveco House Station Road Watford Hertfordshire WD17 1DL	
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 8 Angel Gate City Road London EC1V 2SJ	

Sir John Cass's Foundation

Treasurer's report

For the year ended 31 March 2014

The Foundation had a successful year despite the implications of the economic down-turn. Income from the Foundation's investments increased by 3% (excluding rent free accommodation); from £1,936,958 in 2012/13 to £1,986,389 in 2013/14. The Foundation's listed investments increased in value by 6% from £34,336,604 at 31 March 2013 to £36,333,177 at 31 March 2014. The Foundation's investment properties were revalued last year and no further revaluation was required in this period.

The Foundation also made significant savings on its budget of approximately 19% during the year, making savings of approximately £141,000.

The Board agreed paid grants totalling in excess of £1m in 2013/14 and allocated a further £4.1m of grants in future years until March 2018. The Foundation also continued to provide support 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, equating to a significant cash benefit to each of these educational institutions totalling approximately £4m. Therefore the total charitable benefit provided by the Foundation in 2013/14 was approximately £5m.

The Foundation is still implementing the last section of its modernisation agenda culminating in a new Scheme which will provide an efficient effective Board with equality of status, terms and conditions for all its Governors. This will enable the Foundation to move forward with the skills required to maximise its public benefit. The Foundation is also pursuing a growth agenda which will involve the expansion of its school and university network.

The Foundation is set to re-visit its strategy at its annual Board Away-day in September 2014.

The Foundation has continued to inform and stimulate debate on future education policy at its annual Cass Foundation Lecture. The seventh annual lecture was delivered by Lord Hennessy of Nympsfield and attended by over 180 influential leaders and policy makers from the education sector. The lecture publications are distributed to all members of the House of Commons, House of Lords, Members of the European Parliament and Universities throughout the UK.

The Foundation also provides support for the Wellington Festival, the London Festival of Education and the Prisoner Education Conference where education and its impact are showcased and debated leading to the sharing of ideas towards best practice to be disseminated throughout the UK.

In recognition of its achievement the Foundation, along with its partner the London College of Fashion, achieved the Times Higher award for Best Widening Participation of the year for its innovative prisoner education initiatives. The Foundation and the London College of Fashion were also honoured to receive the Government's 'Big Society' award for ground-breaking work prisoner education.

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 Foundation beneficiaries and representing the Foundation at external events.

Finally, the Board joins me in thanking and appreciating our staff who continue with their enthusiasm and hard work on behalf of the Foundation.

Kevin Everett

Treasurer of the Foundation and Chairman of the Board of Governors

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

The Board present their report and the audited financial statements for the year ended 31 March 2014. 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 issued in March 2005.

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, and February 2014.

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.

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 seven times during the financial year 2013/14.

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 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 Secondary School.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

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.

Risk Management

The Board continued to operate its risk policy and Action Plan which is continually monitored and updated every year, which covers all of its activity, for example business, governance, operational and grant risks.

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:

It's 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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

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.

Grant Making

In fulfilling its objectives the Foundation makes grants to individuals and organisations and provides on-going support to the following institutions, which 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 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, London Metropolitan University and to the Cass and Claredale Halls of Residence; these buildings equate to a substantial direct cash benefit totalling approximately £4m. The Foundation also meets the full cost of Founder's Day from which both Cass Schools benefited.

The Foundation does not engage in fund raising activity and its main charitable activity is grant making.

Grants Strategy

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

1 Widening Participation

Aim

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

2 Truancy, Exclusion and Behaviour Management

Aim

- Encourage and support children and young people's attainment through initiatives that help them engage with, and stay in, education.

3 Prisoner Education

Aim

- 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.

Aim

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

In addition to these priorities, the Board also made a policy decision to support the Government's Academy Programmes through strategic partnerships and funding programmes.

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 £1.8 million 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 principal of 'additionally' 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 paid and committed approximately £1,024,893 (£901,630 in 2012/13) in grants during the year as follows:

Grants Programmes	£
Foundation's Schools	£90,305
Grants to Organisations working with Foundation's Schools	£55,940
Other Cass Institutions	£60,095
Organisations	£607,679
Individuals	£210,874
TOTAL	£1,024,893

Grant Making to Individuals

The Foundation implemented the third year of the £1.5m five year Sir John Cass's Foundation Lord Mayor's Scholarship Programme which was launched at the Mansion House in the City of London on 6 November 2013.

Bursaries totalling £18,375 were made to thirteen Old Cassians and other students who had previously attended either Sir John Cass's Foundation Primary or Sir John Cass's Foundation Secondary Schools. These awards and prizes are presented to the students by the Treasurer of the Foundation at the Annual Prize Giving Evening held at Sir John Cass's Foundation Secondary School each autumn.

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	£192,499
Individual Grants to Old Cassians and other students	£18,375
Total	£210,874

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Report of the Governors

For the year ended 31 March 2014

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.

All grants in excess of £0.5m are independently monitored and evaluated by external consultants.

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 seventh Sir John Cass's Foundation Lecture delivered at the Cass Business School in October 2013 by The Lord Hennessy of Nympsfield. Lord Hennessy 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 2013. The Festival of Education attracted nearly 3,000 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.

Prisoner Education Conference

The Foundation sponsored a one day Prisoner Education Conference at the Institute of Education in London in June 2013. The conference was attended by circa 200 guests at which the Treasurer gave an address, and included an in depth panel discussion consisting of experts in this field from across the country.

FINANCIAL REVIEW

Investment Strategy

The Board continued to adhere to the investment strategy first introduced in 2008 and subsequently amended and endorsed, which was to:

- provide a targeted income return of between £1.5 million and £1.8 million
- maintain the real value of the endowment

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

- 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 3% (excluding rent free accommodation); from £1,936,958 in 2012/13 to £1,986,389 in 2013/14. The Foundation's listed investments increased in value by 6% from £34,336,604 at 31 March 2013 to £36,333,177 at 31 March 2014. The Foundation's investment properties were revalued last year and no further revaluation was required in this period.

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 2014 the Foundation's general unrestricted funds were £4.4m of which £2.8m was set aside for future grant applications. This left operating reserves of £600,000 and a reserve of £1.0m to meet the Foundation's contingent liabilities of £1.6m until March 2018.

ACHIEVEMENTS & PERFORMANCE – 2013/14

Grant Making

Organisation Name	Grant
Grants to Foundation Schools	£90,305
Sir John Cass's Foundation Secondary School (Cass Benefits)	£57,840
Sir John Cass's Foundation Primary School (Cass Benefits)	£14,940
Sir John Cass's Foundation Secondary School (Project Funding)	£10,565
Sir John Cass's Foundation Secondary School (Cass Prizes)	£3,000
Sir John Cass's Foundation Primary School (Project Funding)	£3,960
Grants to Organisations working with Foundation Schools	£55,940
Hampshire County Council – (Cass Foundation Outdoor Centre)	£50,000
Drug Abuse Resistance Education	£5,940
Grants to Cass Institutions	£60,095
University of East London – (Sports Bursaries)	£25,032
Cass Business School (Bursaries)	£25,000
Sir John Cass's Foundation Lecture at the Cass Business School)	£10,063
Total Grants to Foundation Schools and Cass Institutions	£206,340
Total Grants to Organisations	£607,679
Share Foundation (Junior ISAs for Looked After Children)	£77,200
Baker Dearing Trust	£70,000
British Film Institutions (BFI) Southbank	£62,130
British Exploring Society	£50,000
Learning through Landscapes Trust	£43,705
Goldsmiths College	£43,182

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Report of the Governors

For the year ended 31 March 2014

British Academy – (Small Research Grants Programme)	£40,000
University of the Arts	£34,709
Koestler Award Trust	£34,553
Wellington Trust	£30,000
Music First	£23,000
Building Crafts College (Hardship Grants & Cass Scholarship)	£20,000
Pembroke College, University of Cambridge (Cass Scholarships)	£20,000
Spitalfields Music	£12,000
Schools Funding Network	£9,000
Hand Engravers' Association of Great Britain	£8,500
Royal London Society	£7,500
Mayor of London's Fund for Young Musicians	£6,000
Royal London Society for Blind People	£5,470
100 Hours	£5,000
Institute of Education, University of London (Prisoner Education Conference)	£4,000
University of the Arts	£1,730
Grants to Individuals	£210,874
Total Grants	£1,024,893

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's efficiency.
- extending the Foundation's academy involvement through direct sponsorship.

Cass Federation of Schools and Academies

The Foundation is currently endeavouring to establish a Cass federation of non-selective schools and academies in London, which will work together with the Foundation's two existing schools both of which are rated "Outstanding" by OFSTED.

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2014

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 trust deed. 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.

The Report of the Governors has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Auditors

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

Approved by the Board on 29 October 2014 and signed on their behalf by:

NAME: Kevin Everett

TITLE: Treasurer & Chairman of the Board

SIGNATURE:

DATE: 29 October 2014

Independent auditor's report

To the Board of Governors of

Sir John Cass's Foundation

We have audited the financial statements of Sir John Cass's Foundation for the year ended 31 March 2014 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 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. 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014, 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.

15 December 2014

Sayer Vincent LLP, Statutory Auditors, 8 Angel Gate, City Road, LONDON EC1V 2SJ

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 (incorporating an income and expenditure account)

For the year ended 31 March 2014

	Note	Permanent endowment £	Restricted funds £	Designated funds £	Unrestricted funds £	2014 Total £	2013 Total £
Incoming resources							
<i>Incoming resources from generated funds</i>							
Voluntary income		-	50,000	-	6,695	56,695	100,130
Investment income	2	-	-	-	1,986,389	1,986,389	1,936,958
Other incoming resources	3	-	-	-	4,128,210	4,128,210	4,086,937
Total incoming resources		-	50,000	-	6,121,294	6,171,294	6,124,025
Resources expended							
<i>Costs of generating funds:</i>							
Investment management	4	-	-	-	131,539	131,539	184,952
<i>Charitable activities</i>							
Promotion of education	4	-	64,834	-	5,100,899	5,165,733	4,830,732
Administration for other grant giving charities	4	-	-	-	45,980	45,980	48,067
Governance costs	4	-	-	-	266,734	266,734	262,233
Other resources expended	14	-	-	-	38,000	38,000	51,000
Total resources expended		-	64,834	-	5,583,152	5,647,986	5,376,984
Net incoming resources before other recognised gains and losses							
		-	(14,834)	-	538,142	523,308	747,041
Unrealised gains on tangible fixed assets	9	-	-	-	-	-	3,389,000
Net gain/(loss) on investment assets	10	1,918,110	-	-	78,465	1,996,575	3,146,180
Actuarial gains/(loss) on defined benefit pension scheme	14	-	-	-	25,910	25,910	140,657
Net movement in funds		1,918,110	(14,834)	-	642,517	2,545,793	7,422,878
Funds at the start of the year		120,557,406	97,834	2,408,545	3,746,848	126,810,633	119,387,755
Total funds carried forward		122,475,516	83,000	2,408,545	4,389,365	129,356,426	126,810,633

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 16 to the financial statements.

Sir John Cass's Foundation

Balance sheet

As at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	62,878,545	62,878,545
Investments	10	64,816,927	62,820,354
		127,695,472	125,698,899
Current assets			
Debtors	11	78,908	125,077
Short term deposits		2,001,116	-
Cash at bank and in hand		744,278	2,200,665
		2,824,302	2,325,742
Creditors: amounts falling due within one year	12	362,601	335,351
Net current assets		2,461,701	1,990,391
Net assets excluding pension liability falling due after one year		130,157,173	127,689,290
Defined benefit pension scheme liability falling due after one year	14	(800,747)	(878,657)
Net assets including pension liability	15	129,356,426	126,810,633
Funds	16		
General unrestricted funds		4,389,365	3,746,848
Designated unrestricted funds		2,408,545	2,408,545
Restricted income funds		83,000	97,834
Permanent endowment		122,475,516	120,557,406
Total funds		129,356,426	126,810,633

Approved by the Board on 29 October 2014 and signed on its behalf:

NAME: Kevin Everett

TITLE: Treasurer & Chairman of the Board

SIGNATURE:

DATE: 29 October 2014

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting Policies

a) The financial statements have been prepared under the historical cost convention, modified by the inclusion of tangible fixed assets at valuation and investments at market value, and in accordance with applicable accounting standards and the Charities Act 2011. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

b) Income

Income is included in the accounts in the period of entitlement to receipt.

c) Grants Payable

The Foundation pays out grants in furtherance of the charitable objects. 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 as resources expended 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.

d) Resources Expended

Resources expended are directly allocated to the most appropriate activity. Staff costs are allocated to activities on a staff time basis. Support costs are re-allocated on this basis. The current re-allocation percentages are included in Note 4.

e) Governance Costs

Governance costs include all costs of supporting the Board of Governors of the Foundation, and all statutory compliance costs.

f) Cost of Generating Funds

The costs of generating funds include costs involved with the management of the property portfolio held by the Foundation.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting Policies (continued)

g) Rent Free Accommodation

The Foundation provides non-monetary support in the form of rent free accommodation to the Sir John Cass's Foundation Primary and Secondary Schools, Cass and Clarendale 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 property advisors Jones Lang LaSalle.

h) Pension Costs

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.

i) 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, in line with the definition of Financial Reporting Standard 15.

More details are provided in Note 9 of the financial statements.

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.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting Policies (continued)

i) Tangible Fixed Assets (continued)

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 at 33% per annum. Items costing less than £5,000 are written off in the year of purchase.

j) Investments

Investments are held for the purposes of the generation of income for future grant payments and are stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

k) Funds

Permanent Endowment

The permanent endowment fund comprises the original capital fund, and the accumulated gains on this fund, established to provide income for grant payments in accordance with the objectives of the Foundation. The capital cannot be converted into income. The fund is represented by the capital investments included in fixed assets. The endowment, realised gains and the unrealised gains on revaluation of related investment assets are credited to the capital account.

Restricted Funds

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.

Designated Funds

Designated Funds are unrestricted funds earmarked by the Board of Governors for particular purposes.

General Funds

The income of the Foundation is expendable at the discretion of the board members in furtherance of the objects of the Foundation. Unrestricted assets are represented by the accumulated income investments in fixed assets and the net current assets of the Foundation.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

l) Connected Charities

The staff of Sir John Cass's Foundation also undertake the administrative work for Aldgate and Allhallows Barking Exhibition Foundation. A management fee is payable in respect of the work involved, (see note 3). The charities have some trustees in common (see note 17 concerning related parties), but are not otherwise connected and are run as separate entities. Separate accounts are produced.

2. Investment income

	2014 £	2013 £
Interest on short-term deposits	34,903	33,893
Dividends	1,216,558	1,169,095
Rents	<u>734,928</u>	<u>733,970</u>
	<u><u>1,986,389</u></u>	<u><u>1,936,958</u></u>

Rents are generated from the Foundation's property investment portfolio.

3. Other incoming resources

	2014 £	2013 £
Fees earned for the administration of other grant giving charities	77,966	36,273
Other income	-	420
Rent free accomodation	<u>4,050,244</u>	<u>4,050,244</u>
	<u><u>4,128,210</u></u>	<u><u>4,086,937</u></u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

4. Total Resources Expended

	Investment management	Promotion of education	Administration for other grant giving charities	Support costs	Governance	2014 Total	2013 Total
	£	£	£	£	£	£	£
Grants payable (note 7)	-	1,043,798	-	-	-	1,043,798	711,630
Rent free accommodation (note 3)	-	4,050,244	-	-	-	4,050,244	4,050,244
Staff costs (note 6)	35,922	32,219	27,405	58,883	120,358	274,787	273,701
Staff training	-	-	-	5,170	-	5,170	2,705
Maintenance of inv portfolio	49,180	-	-	-	-	49,180	48,094
Office costs	-	-	-	144,549	-	144,549	113,119
Professional fees	-	-	-	23,585	-	23,585	110,385
Auditors' remuneration (note 5)	-	-	-	-	8,300	8,300	9,650
Board members' travel	-	-	-	-	10,373	10,373	6,456
Resources expended	85,102	5,126,261	27,405	232,187	139,031	5,609,986	5,325,984
Re-allocation of Support costs	46,437	39,472	18,575	(232,187)	127,703	-	-
Total resources expended	131,539	5,165,733	45,980	-	266,734	5,609,986	5,325,984

* Support costs have been re-allocated on the basis of staff time as follows: Investment management - 20% (2013: 22%), Promotion of education - 17% (2013: 14%), Administration of other grant giving charities - 8% (2013: 8%), Governance - 55% (2013: 56%)

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

5. Net Incoming/(Outgoing) Resources for the Year

This is stated after charging:	2014	2013
	£	£
Board members' remuneration	-	-
Board members' reimbursed expenses	12,417	6,456
Auditors' remuneration:		
▪ Audit	8,500	8,250
▪ Other services	-	-
	<u>-</u>	<u>-</u>

8 board members claimed expenses for travel in 2013/2014 (2012/2013 - 9).

6. Staff Costs and Numbers

	2014	2013
	£	£
Remuneration (including benefits in kind)	233,097	230,513
Social security costs	24,500	24,521
Pension costs	17,189	18,667
	<u>274,786</u>	<u>273,701</u>

Pension costs above represent contributions made by the Foundation to personal pension plans for staff, these payments are not to members of the Sir John Cass's Foundation pension scheme.

One member (2013: one) of staff earned remuneration between £60,000 and £70,000.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
Investment management	0.97	1.02
Promotion of education	0.87	0.69
Administration for other grant giving charities	0.74	0.60
Support	1.59	-
Governance	3.25	4.14
	<u>7.42</u>	<u>6.45</u>

This split reflects the staff time spent on different activities.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

7. Grants Payable

Reconciliation	2014 £	2013 £
Creditors at the start of the period	20,000	210,000
Grants awarded in the year (note 4)	1,078,798	719,630
Grants cancelled during the year (note 4)	(35,000)	(8,000)
Grants committed to in the year	1,063,798	921,630
Grants paid during the year	(1,024,893)	(901,630)
Creditors at the end of the period	38,905	20,000

Creditors at the year end are payable as follows:

Within one year (note 12)	38,905	20,000
	38,905	20,000

8. Taxation

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

9. Tangible Fixed Assets

	Art £	Freehold land and buildings £	Total £
At 1 April 2013	2,408,545	60,470,000	62,878,545
Revaluation during the year	-	-	-
At 31 March 2014	2,408,545	60,470,000	62,878,545

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

9. Tangible Fixed Assets (continued)

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 St (occupied by London Metropolitan University), and Cass & Claredale Halls of Residence Limited. 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 3.

These properties were revalued on 31 March 2013 on a depreciated replacement costs 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 Cass & Claredale Halls of Residence - £6,125,000.

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 March 2010 by Sothebys at £2,408,545 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 (i).

10. Investments

	2014	2013
	£	£
Market value at the year start	62,761,524	58,564,076
Investment additions at cost	3,957,002	12,592,117
Investment disposal proceeds	(3,998,353)	(11,540,849)
	(41,351)	1,051,268
Net gain on investments	1,996,575	2,928,180
Net gain on properties	-	218,000
	1,996,575	3,146,180
Market value of investments at the end of the year	64,716,748	62,761,524
Cash held as part of investment portfolio	100,179	58,830
	64,816,927	62,820,354

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

10. Investments (continued)

Equity investment management fees ranging from 0.3% to 0.75% per annum of the portfolio value are charged within the relevant funds and therefore reflected in the closing market values and/or the net income distributed.

Investments comprise:

	2014 £	2013 £
UK Common investment funds	36,333,177	34,336,604
Investment properties in the UK	<u>28,483,750</u>	<u>28,483,750</u>
	<u>64,816,927</u>	<u>62,820,354</u>

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

	£	%
Investment properties in the UK	28,483,750	43.94%
Sarasin Equisar - Global Thematic I INC (Sterling Hedged)	4,234,209	6.53%
Sarasin Equisar - Global Thematic I INC	4,381,917	6.76%
Sarasin Global Equity Income I INC (Sterling Hedged)	5,738,466	8.85%
Sarasin International Equity Income - I INC	<u>4,938,141</u>	<u>7.62%</u>

Investment properties are stated at market value. Valuations of the Foundation's properties as at 31 March 2013, on an open market basis, were carried out by Fletcher King, Chartered Surveyors.

11. Debtors

	2014 £	2013 £
Trade debtors	-	120,000
Sundry debtors	<u>78,908</u>	<u>5,077</u>
	<u>78,908</u>	<u>125,077</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

12. Creditors: amounts falling due within one year

	2014 £	2013 £
Grant credito		
Organisations, Academy Programme and Universities (note 7)	38,905	20,000
	38,905	20,000
Trade and other creditors	33,029	34,342
Accruals	196,414	190,666
Pension creditor due within one year (note 14)	94,253	90,343
	362,601	335,351

13. Grant Commitments

Future commitments in respect of grants made over a term of years, subject to conditions and subsequent Foundation approval:

	2014 £	2013 £
Within one year	2,536,682	368,059
Between one and two years	757,260	378,682
Between two and three years	682,760	342,260
Greater than	145,880	204,660
	4,122,582	1,293,661

14. Pension Liabilities

	2014 £	2013 £
Balance at the start of the year	969,000	1,149,000
Benefits paid	(86,090)	(90,343)
Interest cost	38,000	51,000
Actuarial (gain)/loss to future pension obligations	(25,910)	(140,657)
Net movement in provision in the year	(74,000)	(180,000)
Balance at the end of the year	895,000	969,000
Benefits payable falling due within one year	94,253	90,343
Benefits payable falling due after one year	800,747	878,657
Balance at the end of the year	895,000	969,000

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

14. Pension Liabilities (continued)

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 FRS17 valuation methodology with the following assumptions:

Principal actuarial assumptions at the balance sheet date	2014 % per annum	2013 % per annum
Discount rate applied	4.3	4.1
Future pension increases	2.5	2.5
Mortality tables	S1PXA CMI_2013 LTR 0.5% p.a	S1PXA CMI_2012 LTR 0.5% p.a

History of Experience Gains and Losses

Experience gain/(loss) arising on the scheme liabilities	1,000	174,000
Percentage of present value of scheme liabilities	0.1%	18.0%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	24,000	(32,000)
Percentage of present value of scheme liabilities	-2.5%	3.3%

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

2010 (£'000)	2011 (£'000)	2012 (£'000)	2013 (£'000)	2014 (£'000)
1,145	1,145	1,149	969	895

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

15. Analysis of Net Assets between Funds

	Permanent endowment fund £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	60,470,000	-	2,408,545	-	62,878,545
Investments	62,005,516	-	-	2,811,411	64,816,927
Net current assets	-	83,000	-	2,378,701	2,461,701
Long term liabilities	-	-	-	(800,747)	(800,747)
Net assets at the end of the year	<u>122,475,516</u>	<u>83,000</u>	<u>2,408,545</u>	<u>4,389,365</u>	<u>129,356,426</u>

16. Movements in Funds

	At 1 April 2013 £	Incoming Resources £	Outgoing Resources £	Realised/ unrealised gains & losses/ movement in pension £	Transfers between funds £	At 31 March 2014 £
Endowment funds	120,557,406	-	-	1,918,110	-	122,475,516
Restricted funds						
Sir John Cass Foundation - Lord Mayor Scholarship	97,834	50,000	(64,834)	-	-	83,000
Designated unrestricted funds						
Art reserve	2,408,545	-	-	-	-	2,408,545
General unrestricted funds	<u>3,746,848</u>	<u>6,121,294</u>	<u>(5,583,152)</u>	<u>104,375</u>	<u>-</u>	<u>4,389,365</u>
Total funds	<u>126,810,633</u>	<u>6,171,294</u>	<u>(5,647,986)</u>	<u>2,022,485</u>	<u>-</u>	<u>129,356,426</u>

* The movement in the endowment funds includes the revaluation of the Foundation's investments as referred to in note 10.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

16. Movements in Funds (continued)

Purpose of designated funds

Art reserve: This reserve represents the valuation of the artefacts including the Roubilliac statue of Sir John Cass.

Purpose of restricted funds

Sir John Cass's Foundation - Lord Mayor's Scholarship Funding 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 provide 2/3 of the funding for scholarships, with 1/3 of the funding coming from the Lord Mayor's office.

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2014

17. Related parties

Related party	Property arrangements	Nominations to Sir John Cass's Foundation Board of Governors	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		£8,585	£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		£65,840	£1,953,756	£2,019,596
Aldgate and Allhallows Foundation	Shares offices and administered by staff of the Foundation			£35,637			
City University			One Council Member, Two Court Members & Two Members to Cass Business School Advisory Board and member of Strategy and Development Board		£13,000		£13,000
London Metropolitan University	Occupies Foundation's premises at 31 Jewry Street, London		One Council Member			£1,030,939	£1,030,939
London Diocesan Board for Schools		One member of the Board					
Southwark Diocesan Board of Education		One member of the Board					
Cass & Claredale Halls of Residence	Freehold owned by the Foundation					£668,304	£668,304
University of East London			One Council Member		£50,000		£50,000

The London Diocesan Board for Schools gave up their right to nominate a Board Member during the year.