

Charity No. 312425

Sir John Cass's Foundation
Annual Report 2013

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auditors and advisors

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2013

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	Grants, Staff Remuneration and Nomination
David Turner FRICS	Deputy Treasurer	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	Audit & Compliance, Grants, Staff Remuneration and Nomination
Dominic Alexander (appointed 25.7.12)		
HH Judge Brian Barker QC		
Paul Bloomfield		Grants
Bishop Christopher Chessun		
The Reverend Trevor Critchlow		
Sarah Dalgarno ACII		Audit & Compliance and Nominations
Graham Forbes FRICS		Audit and Compliance
The Reverend Laura Jørgensen BSc BTh ARSM		Grants

Sir John Cass's Foundation

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For the year ended 31 March 2013

The Foundation's Board of Governors (continued)

Helen Meixner CMG		Grants
Jenny Moseley		Grants
Mervyn Streatfeild MA (Oxon)		Grants
Professor Mike Thorne		
Inigo Woolf FCIB BEM		
Sophie Fernandes CC		Grants

Principal officers Anthony Mullee Clerk / Chief Executive
Richard Foley Deputy Clerk/ Chief Executive

Bankers Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors Bircham Dyson Bell Devonshires
50 Broadway Salisbury House
London London Wall
SW1H 0BL London
EC2M 5QY

Property managers Jones Lang LaSalle
9 Queen Victoria Street
London
EC4N 4YY

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

Pension Actuary Capita Hartshead Actuarial and Consultancy Services
(formerly Gissings Consultancy Services Limited)
Ludgate House
245 Blackfriars Road
London
SE1 9UF

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2013

Accountants

Myers Clark
Chartered Accountants and Registered Auditors
Iveco House
Station Road
Watford
Hertfordshire
WD17 1DL

Auditors

Sayer Vincent
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 2013

The Foundation had a successful year despite the implications of the economic downturn. The value of the Foundation's investments increased by approximately £3m during the year and now total approximately £63m. The Foundation generated a surplus of £0.7m. The Foundation made budget savings of approximately 25%.

The Board agreed to pay grants of approximately £1m in 2012/13 and a further £1.3m of grants in future years. 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 2012/13 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 has continued to inform and stimulate debate on future education policy at its annual Cass Foundation Lecture. The Lecture was delivered by The Rt Hon Dr Vince Cable MP and entitled Accelerating Social Mobility: Improving Life Chances. 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.

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

31 October 2013

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

The Board present their report and the audited financial statements for the year ended 31 March 2013. 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 by the Court of Chancery, which gave legal effect to the last will and testament of Sir John Cass. 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 and 15 June 1993, 17 December 2008, 4 November 2010, 27 July 2011 and 5 December 2012.

Membership of the Board

There are eighteen members of the Board: two ex-officio, two nominated and fourteen co-opted. The Scheme determines nominating bodies and terms of office. Nominated members' terms of office are for four years initially and co-opted members' are for five years initially. Both nominated and co-opted members are eligible for re-appointment.

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.

Nominating bodies are requested (in order to conform to best practice) to consider the Foundation's requirements during their selection process for nominated governors to the Foundation's Board.

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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 six times during the calendar year 2012.

The Foundation has a Grants Committee meeting three times a year, an Audit & Compliance Committee meeting twice yearly, a Staff Remuneration Committee meeting once a year and committees reporting on investment matters and nominations as and when necessary. The Board and committees also appoint ad-hoc committees and working groups to examine specific work areas and submit recommendations where appropriate.

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.

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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:

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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.

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 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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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.

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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 principle 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 £911,460 (£1.2 million in 2011/12) in grants during the year as follows:

Grants Programmes	£
Foundation's Schools	£62,520
Grants to Organisations working with Foundation's Schools	£81,100
Other Cass Institutions	£212,581
Organisations	£351,385
Individuals	£203,874
TOTAL	£911,460

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

Grant Making to Individuals

The Foundation implemented the second 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 2 November 2012.

Bursaries totalling £23,375 were made to nine 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	£180,499
Individual Grants to Old Cassians and other students	£23,375
Total	£203,874

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.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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.

Four 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 sixth Sir John Cass's Foundation Lecture delivered at the Cass Business School in October 2012 by The Rt Hon Vincent Cable MP, Secretary of State for Business, Innovation and Skills. Dr Cable kindly agreed that the Foundation could publish the transcript of the lecture. Copies of the publication were 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 2012. The Festival of Education attracted nearly 1,800 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 2012. The conference, which was the first the Foundation has arranged, 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.

The Foundation took the opportunity to launch a report it commissioned with the Institute of Education on prisoner education entitled Inside Education: The Aspirations and Realities of Prison Education for under 25s in the London area, which was very well received.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

London Festival of Education

Along with a small number of other organisations the Foundation sponsored this one day inaugural event, which was held at the Institute of Education in London in November 2012. The Festival was well attended and brought together politicians from across the spectrum as well as practitioners, policy makers and others interested in the delivery of education in London.

FINANCIAL REVIEW

Investment Strategy

The Board continued to adhere to the investment strategy introduced in 2008 and subsequently 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
- provide long term growth in income of 1.5% greater than the retail price index.

Investment Performance

Income from the Foundation's investments and other income increased by 7.5% (excluding rent free accommodation); from £1,929,163 in 2011/12 to £2,073,781 in 2012/13.

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 2013 the Foundation's general unrestricted funds were £3.7m of which £1,000,000 was set aside for future grant applications. This left operating reserves of £600,000 and a reserve of £2.1m to meet the costs of future developments and to act as a buffer against income needs to fund the Foundation's contingent and non-contingent liabilities of £1.3m.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

ACHIEVEMENTS & PERFORMANCE – 2012/13

Grant Making

Organisation Name	Grant
Grants to Foundation Schools	£62,520
Sir John Cass's Foundation Secondary School (Cass Benefits)	£58,320
Sir John Cass's Foundation Secondary School (Cass Prizes)	£3,000
Sir John Cass's Foundation Secondary School (Project Funding)	£1,200
Grants to Organisations working with Foundation Schools	£81,100
Foundation Schools	
Hampshire County Council – (Cass Mountain Outdoor Centre)	£50,000
Momentum Programme	£26,000
Drug Abuse Resistance Education	£5,100
Grants to Cass Institutions	£212,581
University of East London–(Sir John Cass School of Education & Communities)	£200,000
Sir John Cass's Foundation Lecture at the Cass Business School)	£12,581
Total Grants to Foundation Schools and Cass Institutions	£356,201
Total Grants to Organisations	£351,385
Schools Funding Network	£75,000
British Schools Exploring Society	£50,000
British Film Institutions (BFI) Southbank	£40,330
Adab Trust	£40,000
British Academy – (Small Research Grants Programme)	£40,000
Learning through Landscapes Trust	£31,855
Pitch Perfect (LSO/Cricket Foundation)	£30,000
Prisoners' Education Trust	£10,700
Mile End Group, Queen Mary, University of London	£10,000
Hand Engravers' Association of Great Britain	£8,500
Building Crafts College	£8,000
University of the Arts	£5,500
Institute of Education, University of London	£1,500
Grants to Individuals	£203,874
Total Grants	£911,460

The Foundation awarded nineteen grants to organisations, of which four attracted match funding.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2013

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.

Cass Federation of Schools and Academies

The Foundation is currently endeavouring to establish a Cass federation of non-selective schools and academies in London.

This will involve establishing a number of new 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. It would be fitting as Sir John Cass's Foundation School, the only primary school in the City of London, celebrated its Tercentenary in 2010.

The original school, and also, Sir John Cass's 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 2013

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.

Auditors

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

Approved by the Board on 30 October 2013 and signed on their behalf by:

NAME: Kevin Everett

TITLE: Treasurer & Chairman of the Board

SIGNATURE:

DATE: 30 October 2013

Independent auditors' 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 2013 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. 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 2013, 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.

Independent auditors' report

To the Board of Governors of

Sir John Cass's Foundation

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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.

6 November 2013

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

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

Sir John Cass's Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2013

	Note	Permanent endowment £	Restricted funds £	Designated funds £	Unrestricted funds £	2013 Total £	2012 Total £
Incoming resources							
<i>Incoming resources from generated funds</i>							
Voluntary income		-	100,000	-	130	100,130	124,154
Investment income	2	-	-	-	1,936,958	1,936,958	1,765,509
Other incoming resources	3	-	-	-	4,086,937	4,086,937	4,089,744
Total incoming resources		-	100,000	-	6,024,025	6,124,025	5,979,407
Resources expended							
<i>Costs of generating funds:</i>							
Investment management	4	-	-	-	184,952	184,952	220,110
<i>Charitable activities</i>							
Promotion of education	4	-	60,166	-	4,770,566	4,830,732	4,993,836
Administration for other grant giving charities	4	-	-	-	48,067	48,067	49,376
Governance costs	4	-	-	-	262,233	262,233	241,535
Other resources expended	14	-	-	-	51,000	51,000	60,000
Total resources expended		-	60,166	-	5,316,818	5,376,984	5,564,857
Net incoming resources before other recognised gains and losses							
		-	39,834	-	707,207	747,041	414,550
Unrealised gains on tangible fixed assets	9	3,389,000	-	-	-	3,389,000	-
Net gain/(loss) on investment assets	10	3,217,758	-	-	(71,578)	3,146,180	14,473,468
Actuarial gains/(loss) on defined benefit pension scheme	14	-	-	-	140,657	140,657	(46,023)
Net movement in funds		6,606,758	39,834	-	776,286	7,422,878	14,841,995
Funds at the start of the year		<u>113,950,648</u>	<u>58,000</u>	<u>2,408,545</u>	<u>2,970,562</u>	119,387,755	104,545,760
Total funds carried forward		<u>120,557,406</u>	<u>97,834</u>	<u>2,408,545</u>	<u>3,746,848</u>	126,810,633	119,387,755

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 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	9	62,878,545	59,489,545
Investments	10	62,820,354	59,721,908
		125,698,899	119,211,453
Current assets			
Debtors	11	125,077	11,709
Short term deposits		-	1,500,000
Cash at bank and in hand		2,200,665	247,770
		2,325,742	1,759,479
Creditors: amounts falling due within one year	12	335,351	536,200
Net current assets		1,990,391	1,223,279
Net assets excluding pension liability falling due after one year		127,689,290	120,434,732
Defined benefit pension scheme liability falling due after one year	14	(878,657)	(1,046,977)
Net assets including pension liability	15	126,810,633	119,387,755
Funds			
General unrestricted funds	16	3,746,848	2,970,562
Designated unrestricted funds		2,408,545	2,408,545
Restricted income funds		97,834	58,000
Permanent endowment		120,557,406	113,950,648
Total funds		126,810,633	119,387,755

Approved by the Board on 30 October 2013 and signed on its behalf:

NAME: Kevin Everett TITLE: Treasurer & Chairman of the Board

SIGNATURE: DATE: 30 October 2013

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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 2013

1. Accounting Policies (continued)

g) Rent Free Accomodation

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. A full actuarial review will be undertaken in 2013.

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 2013

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 2013

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

	2013	2012
	£	£
Interest on short-term deposits	33,893	39,890
Dividends	1,169,095	982,321
Rents	733,970	743,298
	<u>1,936,958</u>	<u>1,765,509</u>

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

3. Other incoming resources

	2013	2012
	£	£
Fees earned for the administration of other grant giving charities	36,273	38,056
Other income	420	1,444
Rent free accommodation	4,050,244	4,050,244
	<u>4,086,937</u>	<u>4,089,744</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

4. Total Resources Expended

	Investment management	Promotion of education	Administration for other grant giving charities	Support costs	Governance	2013 Total	2012 Total
	£	£	£	£	£	£	£
Grants payable (note 7)	-	711,630	-	-	-	711,630	886,091
Rent free accommodation (note 3)	-	4,050,244	-	-	-	4,050,244	4,050,244
Property management fee	-	-	-	-	-	-	27,074
Staff costs (note 6)	43,283	29,286	25,454	87,839	87,839	273,701	251,273
Staff training	-	-	-	2,705	-	2,705	5,260
Maintenance of inv portfolio	48,094	-	-	-	-	48,094	78,809
Office costs	-	-	-	113,119	-	113,119	79,031
Professional fees	31,390	-	-	78,995	-	110,385	103,681
Auditors' remuneration (note 5)	-	-	-	-	9,650	9,650	16,238
Board members' travel	-	-	-	-	6,456	6,456	7,156
	<u>122,767</u>	<u>4,791,160</u>	<u>25,454</u>	<u>282,658</u>	<u>103,945</u>	<u>5,325,984</u>	<u>5,504,857</u>
Resources expended							
Re-allocation of Support costs	<u>62,185</u>	<u>39,572</u>	<u>22,613</u>	<u>(282,658)</u> *	<u>158,288</u>	<u>-</u>	<u>-</u>
Total resources expended	<u>184,952</u>	<u>4,830,732</u>	<u>48,067</u>	<u>-</u>	<u>262,233</u>	<u>5,325,984</u>	<u>5,504,857</u>

* Support costs have been re-allocated on the basis of staff time as follows: Investment management - 22% (2012: 21%), Promotion of education - 14% (2012: 14%), Administration of other grant giving charities - 8% (2012: 12%), Governance - 56% (2012: 53%)

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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

This is stated after charging:	2013	2012
	£	£
Board members' remuneration	-	-
Board members' reimbursed expenses	6,456	7,156
Auditors' remuneration:		
▪ Audit	9,650	8,000
▪ Under accrual from previous year	-	1,750
▪ Other services	-	6,488
	6,456	15,294

9 board members claimed expenses for travel in 2012-2013 (2011/2012 - 11).

6. Staff Costs and Numbers

	2013	2012
	£	£
Remuneration (including benefits in kind)	230,513	209,490
Social security costs	24,521	22,308
Pension costs	18,667	19,475
	273,701	251,273

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 (2012: 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:

	2013	2012
	No.	No.
Investment management	1.02	1.08
Promotion of education	0.69	0.73
Administration for other grant giving charities	0.60	0.63
Governance	4.14	4.38
	6.45	6.82

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 2013

7. Grants Payable

Reconciliation	2013 £	2012 £
Creditors at the start of the period	210,000	443,000
Grants awarded in the year (note 4)	719,630	887,951
Grants cancelled during the year (note 4)	<u>(8,000)</u>	<u>(1,860)</u>
Grants committed to in the year	921,630	1,329,091
Grants paid during the year	<u>(901,630)</u>	<u>(1,119,091)</u>
Creditors at the end of the period	<u>20,000</u>	<u>210,000</u>

Creditors at the year end are payable as follows:

Within one year (note 12)	<u>20,000</u>	<u>210,000</u>
	<u>20,000</u>	<u>210,000</u>

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 2012	2,408,545	57,081,000	59,489,545
Revaluation during the year	-	3,389,000	3,389,000
At 31 March 2013	<u>2,408,545</u>	<u>60,470,000</u>	<u>62,878,545</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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

		2013	2012
	£	£	£
Market value at the year start		58,564,076	42,177,277
Investment additions at cost	12,592,117		5,873,675
Investment disposal proceeds	(11,540,849)		(3,959,844)
Investment property disposal proceeds	-		(500)
Total investment disposals		1,051,268	1,913,331
Net gain/(loss) on investments	2,928,180		(1,209,957)
Net gain on properties	218,000		15,683,425
		3,146,180	14,473,468
Market value of investments at the end of the year		62,761,524	58,564,076
Cash held as part of investment portfolio		58,830	1,157,832
		62,820,354	59,721,908

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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:

	2013	2012
	£	£
UK Common investment funds	34,336,604	31,456,158
Investment properties in the UK	28,483,750	28,265,750
	<u>62,820,354</u>	<u>59,721,908</u>

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

	£	%
Investment properties in the UK	28,483,750	45.34%
Sarasin Equisar - Global Thematic I INC (Sterling Hedged)	3,331,523	5.30%
Sarasin Equisar - Global Thematic I INC	4,517,972	7.19%
Sarasin Global Equity Income I INC (Sterling Hedged)	4,986,124	7.94%
Sarasin International Equity Income - I INC	5,337,455	8.50%

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

	2013	2012
	£	£
Trade debtors	120,000	-
Sundry debtors	5,077	11,709
	<u>125,077</u>	<u>11,709</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

12. Creditors: amounts falling due within one year

	2013 £	2012 £
Grant creditors		
Organisations, Academy Programme and Universities	<u>20,000</u>	210,000
	20,000	210,000
Trade and other creditors	34,342	33,819
Accruals	190,666	190,358
Pension creditor due within one year (note 14)	<u>90,343</u>	102,023
	335,351	<u>536,200</u>

13. Grant Commitments

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

	2013 £	2012 £
Within one year	368,059	325,430
Between one and two years	378,682	217,080
Between two and three years	342,260	103,810
Greater than three years	<u>204,660</u>	22,000
	1,293,661	<u>668,320</u>

14. Pension Liabilities

	2013 £	2012 £
Balance at the start of the year	<u>1,149,000</u>	1,145,000
Benefits paid	(90,343)	(102,023)
Interest cost	51,000	60,000
Actuarial (gain)/loss to future pension obligations	<u>(140,657)</u>	46,023
Net movement in provision in the year	(180,000)	4,000
Balance at the end of the year	<u>969,000</u>	<u>1,149,000</u>
Benefits payable falling due within one year	90,343	102,023
Benefits payable falling due after one year	<u>878,657</u>	1,046,977
Balance at the end of the year	<u>969,000</u>	<u>1,149,000</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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:

	2013	2012
Principal actuarial assumptions at the balance sheet date	% per annum	% per annum
Discount rate applied	4.1	4.60
Future pension increases	2.5	2.50
Mortality tables	S1PXA CMI_2012 LTR 0.5% p.a	S1PXA CMI_2011 LTR 0.5% p.a

History of Experience Gains and Losses

Experience gain/(loss) arising on the scheme liabilities	174,000	4,000
Percentage of present value of scheme liabilities	18.0%	0.3%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	(32,000)	(47,000)
Percentage of present value of scheme liabilities	3.3%	4.1%

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

	2009	2010	2011	2012	2013
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Total pension liability	<u>1,093</u>	<u>1,145</u>	<u>1,145</u>	<u>1,149</u>	<u>969</u>

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2013

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	60,087,406	-	-	2,732,948	62,820,354
Net current assets	-	97,834	-	1,892,557	1,990,391
Long term liabilities	-	-	-	(878,657)	(878,657)
Net assets at the end of the year	<u>120,557,406</u>	<u>97,834</u>	<u>2,408,545</u>	<u>3,746,848</u>	<u>126,810,633</u>

16. Movements in Funds

	At 1 April 2012 £	Incoming Resources £	Outgoing Resources £	Realised/ unrealised gains & losses/ movement in pension £	Transfers between funds £	At 31 March 2013 £
Endowment funds	113,950,648	-	-	6,606,758	-	120,557,406
Restricted funds						
Sir John Cass Foundation - Lord Mayor Scholarship	58,000	100,000	(60,166)	-	-	97,834
Designated unrestricted funds						
Art reserve	2,408,545	-	-	-	-	2,408,545
General unrestricted funds	<u>2,970,562</u>	<u>6,024,025</u>	<u>(5,316,818)</u>	<u>69,079</u>	<u>-</u>	<u>3,746,848</u>
Total funds	<u>119,387,755</u>	<u>6,124,025</u>	<u>(5,376,984)</u>	<u>6,675,837</u>	<u>-</u>	<u>126,810,633</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 2013

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 2013

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			£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		£62,520	£1,953,756	£2,016,276
Aldgate and Allhallows Exhibition Foundation	Shares offices and administered by staff of the Foundation			£43,528			
City University			One Council Member, Two Court Members & Two Members to Cass Business School Advisory Board and member of Strategy and Development Board		£9,661		£9,661
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		£200,000		£200,000

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