

Charity No. 312425

# **Sir John Cass's Foundation**

## **Annual Report 2011**

**sayer vincent**  
  
consultants and auditors

## Sir John Cass's Foundation

### Reference and administrative details

#### For the year ended 31 March 2011

---

**Charity number** 312425

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

**Principal objective** The principal objective is the promotion of education of young persons in attendance at Sir John Cass's Foundation and Red Coat Secondary School, Sir John Cass's Foundation Primary School, the London Metropolitan University or resident in 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**

<b>Name</b>	<b>Office</b>	<b>Committee/s</b>
Kevin Everett	Treasurer	Grants, Staff Remuneration and Nomination
HH Judge Brian Barker		Grants
David Turner	Deputy Treasurer	Grants, Staff Remuneration and Nomination
Alderman Michael Bear		Grants
Mark Boleat (Resigned 5th December 2010)		
The Reverend Christopher Burke (resigned 1st September 2010)		Audit & Compliance
Dr Ray Ellis	Chairman of Grants	Grants, Staff Remuneration and Nomination
Graham Forbes		
The Reverend Nigel Kirkup		Audit & Compliance and Grants
Barbara Lane		

## Sir John Cass's Foundation

### Reference and administrative details

**For the year ended 31 March 2011**

---

#### The Foundation's Board of Governors (continued)

<b>Name</b>	<b>Office</b>	<b>Committee/s</b>
Mervyn Streatfeild		Grants
David Hogben	Chairman of Audit and Compliance	Audit & Compliance, Staff Remuneration and Nomination
Sarah Dalgarno		Audit & Compliance and Nominations
Professor Mike Thorne		Grants
Helen Meixner		Grants and Staff Remuneration
Inigo Woolf		
The Reverend Laura Burgess		Grants
<b>Principal officers</b>	Anthony Mullee Richard Foley	Clerk / Chief Executive Deputy Clerk/Chief Executive
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS	
<b>Solicitors</b>	Bircham Dyson Bell 50 Broadway London SW1H 0BL	Devonshires Salisbury House London Wall London EC2M 5QY
<b>Property managers</b>	Jones Lang LaSalle 9 Queen Victoria Street London EC4N 4YY	

## **Sir John Cass's Foundation**

### **Reference and administrative details**

**For the year ended 31 March 2011**

---

<b>Investment managers</b>	Sarasin and Partners Juxon House 100 St. Paul's Churchyard London EC4M 8BU
<b>Pension Actuary</b>	Capita Hartshead Actuarial and Consultancy Services (formerly Gissings Consultancy Services Limited) Ludgate House 245 Blackfriars Road London SE1 9UF
<b>Accountants</b>	Myers Clark Chartered Accountants and Registered Auditors Iveco House Station Road Watford Hertfordshire WD17 1DL
<b>Auditors</b>	Sayer Vincent Chartered Accountants & Statutory Auditors 8 Angel Gate City Road London EC1V 2SJ

## **Sir John Cass's Foundation**

### **Treasurer's report**

---

The Foundation had a successful year despite the implications associated with the economic down-turn. The value of the Foundation's investments increased by approximately 6% during the year and now total approximately £42m.

The Board agreed to pay grants of £745,490 in 2010/11 and a further £1.7m of grants in future years. Additional grants were approved during the year which will be paid out in future periods. 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 totaling approximately £4m.

The specialised property, 31 Jewry Street was re-valued this year in accordance with FRS 15 requirements, thus standardising the valuation approach across all of the Foundation's specialised properties. This has resulted in the net assets of the Foundation increasing from £79m to £105m.

The Foundation has continued to inform and stimulate debate on future education policy at its annual 'Cass Foundation Lecture'. The Lecture was delivered by Dr Anthony Seldon, the Master of Wellington College at the Cass Business School on the 8th December 2010 entitled Why Schools, Why Universities.

During the year, the Foundation agreed to establish a £1.5m five year Sir John Cass's Foundation Lord Mayor's Scholarship Programme with the Office of the Lord Mayor of the City of London which will commence in 2011/12 academic year. This imaginative partnership programme will enable bright young Londoners from disadvantaged backgrounds to be assisted through their undergraduate studies.

I would like to thank my fellow Board members who again this year have 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**

26 October 2011

## **Sir John Cass's Foundation**

### **Report of the Governors**

---

The Board present their report and the audited financial statements for the year ended 31 March 2011. 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 an Act of Parliament 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.

#### **Membership of the Board**

There are eighteen members of the Board: two ex-officio, three nominated and thirteen 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 representatives 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 72 of the Charities Act 1993.

## **Sir John Cass's Foundation**

### **Report of the Governors**

---

#### **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.

The Southwark Diocesan Board for Education, which nominates a salaried Director to the Foundation's Board, was awarded £100,000 towards the endowment for the St. Michael & All Angels Church of England Academy in Camberwell.

Details of Related Parties are set out in Note 18 in the financial statements.

#### **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 meets five times a year.

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 Governing Body of each school.

The Foundation makes nominations to:

- The Board of the University of East London
- City University Council
- Cass Business School Development Board
- 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

---

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 are updated every year, covering aspects such as Business, Governance, Operational and Grant Risks.

#### OBJECTIVES AND ACTIVITIES

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

Its Vision, Mission and Values are:

##### Vision

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

##### Mission

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

##### Values

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

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

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



## Sir John Cass's Foundation

### Report of the Governors

---

***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 ongoing support to the following institutions:

- 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 Department of Art, Media and Design) in the London Borough of Tower Hamlets
- University of East London (Sir John Cass School of Education) in the London Borough of Newham
- Cass and Claredale Halls of Residence (Sir John Cass Hall) in the London Borough of Hackney

The Foundation has awarded endowment and capital grants to the Southwark Diocesan Board of Education to support infrastructure improvements to Church of England Schools and Academies in the Diocese.

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, which equates to a substantial direct cash benefit totalling approximately £4m. The Foundation also met 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.

## Sir John Cass's Foundation

### Report of the Governors

---

#### 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 Specialist Schools and 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 objectives:

1. Provide annual revenue through investment income of up to £2 million per year
2. Provide Grant revenue of circa £1 million per year
3. Implement and keep under review the Grants & Monitoring and Evaluation Strategies
4. Review Investment and Property Strategy
5. Review the efficiency of both Governance and Management Practices
6. Promote the Foundation and its activities.

## Sir John Cass's Foundation

### Report of the Governors

---

#### ACHIEVEMENTS AND PERFORMANCE

##### Grant Making

The Foundation's grant making is guided by the principle of 'additionality' and 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 £745,000 (£1,003,707 in 2009/10) in grants during the year as follows:

<b>Grants Programmes</b>	<b>£</b>
Organisations	524,853
Foundation Schools	106,137
Church of England Diocesan Boards	100,000
Individuals	14,500
<b>TOTAL</b>	<b>£745,490</b>

##### Grant Making to Individuals

Bursaries and Scholarships during the year

The Foundation's eligibility criteria for grant making are that beneficiaries must be:

- Permanent residents of Inner London
- Under 25 years of age
- From a financially disadvantaged background

The Foundation decided to undertake a review of its scholarship programmes during the year, and as a result, fewer grants were awarded to students than in previous years. The Foundation made 21 grants to individuals in the 2010/11 financial year and 57 in 2009/10.

Bursaries of £500 were made to thirteen students totalling £6,500 as part of the Higher Education Bursary Scheme. Grants have also been made to Old Cassians, namely to students who were in need of financial assistance, 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.

## Sir John Cass's Foundation

### Report of the Governors

---

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

Of the 21 students supported all but one was engaged in Higher Education.

Higher Education Bursary Scheme	£6,500
Individual Grants to Old Cassians	£8,000
<b>Total</b>	<b>£14,500</b>

### Partnerships & Grant Making

#### East London Business Alliance [ELBA] & 2012 Olympic Games Legacy - Educational and Employment Opportunities

The Foundation has co-funded an Education & Jobs Programme Manager with London Legacy 2020, a corporate social responsibility project leveraging in private sector skills and resources to secure a lasting legacy to the 2012 Olympic Games. London Legacy 2020 is part of ELBA, a business led East London regeneration agency.

The Programme Manager oversees the creation of employment and educational opportunities in East London over the period leading up to and including the Olympic Games in 2012 and will develop strategic initiatives and identify projects that are likely to meet the Foundation's funding priorities.

### Monitoring & Evaluation

The Foundation's Monitoring and Evaluation Policy operates as follows:

#### Organisations

All organisations, including Sir John Cass's Foundation Primary School and Sir John Cass's Foundation & Redcoat Secondary School, as well the London Diocesan Board for Schools and the Southwark Diocesan Board for Education must provide information relating to the anticipated outputs and outcomes with their proposal, along with the cost and methodology to be used to collect and analyse the information.

Successful applicants will need to 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.

## **Sir John Cass's Foundation**

### **Report of the Governors**

---

Monitoring and evaluation should wherever possible be undertaken by the organisation in receipt of funding rather by the Foundation. This can be undertaken by the organisation themselves, an independent body or by an external consultant hired by the Foundation. The cost of the evaluation will be included in the applicant's budget, and each application will be considered on a case by case basis, with the Grants Committee deciding how the Foundation will proceed on this matter and what will be considered as proportionate.

All grants in excess of £0.5m are to be independently monitored and evaluated by an external consultant.

### **Promotion & Communications**

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

Two important events took place during the year:

#### **The Sir John Cass's Foundation Lecture**

Over 180 people, including senior educationalists and policy makers from the education sector, attended the third Sir John Cass's Foundation Lecture delivered by Dr Anthony Seldon, the Master of Wellington College at the Cass Business School in December 2010. Dr Seldon 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 and House of Lords, Members of the European Parliament and Universities throughout the UK.

#### **Festival of Education**

The Foundation sponsored, along with a small number of other organisations the inaugural Festival of Education which was held over two days at Wellington College in Berkshire in June 2010. The Festival attracted nearly one thousand two hundred visitors and approximately one hundred and fifty speakers, including Secretary and Shadow Secretary of State for Education and other interested parties from across the educational and political spectrum.

## **Sir John Cass's Foundation**

### **Report of the Governors**

---

#### **FINANCIAL REVIEW**

##### **Investment Strategy**

The Board continued to adhere to the investment strategy introduced in 2008 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 investment portfolio represented 49% of the Foundation's incoming resources (excluding rent free accommodation). The total income from the investment portfolio increased from £789,341 in 2009/10 to £882,733 in 2010/11. This represented an increase of approximately 11% during the year.

##### **Reserves and Funds Policy**

The Board reviewed the reserves policy and reaffirm objectives for the Foundation's Reserves & Funds Policy are 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.

As at 31 March 2011, the Foundation's general unrestricted funds were £2,679,276 of which £1,000,000 has been set aside for future grant applications. This leaves operating reserves of £600,000 and £1,079,276 for a reserve 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 £1.7m.

## Sir John Cass's Foundation

### Report of the Governors

---

#### ACHIEVEMENTS & PERFORMANCE – 2010/11

##### Grant Making

<b>Organisation Name</b>	<b>Grant</b>
<b>Grants to Organisations</b>	<b>£524,853</b>
University of East London (Sir John Cass School of Education)	£200,000
City University (partnering with City of London Academy)	£60,910
Institute of Education	£50,000
British Film Institute	£35,250
Pitch Perfect	£30,000
Unicorn Theatre	£22,666
East London Business Alliance	£21,213
University of the Arts	£16,512
Mosaic	£15,160
Wellington Trust	£14,887
Prisoners' Education Trust (grants for prisoners)	£10,700
Kids' Cookery School	£10,000
Building Crafts College	£10,000
City University (Sir John Cass's Foundation Lecture)	£9,265
Hand Engravers Ass of GB	£8,290
Drug Abuse Resistance Education	£5,000
Specialist Schools & Academies Trust	£5,000
<b>Grants to the Diocesan Boards</b>	<b>£100,000</b>
Southwark Diocesan Board of Education (Academy Programme)	£100,000
<b>Grants to Cass Schools</b>	<b>£106,137</b>
Sir John Cass's Foundation & Redcoat Secondary School (Cass Benefits)	£56,700
Sir John Cass's Foundation & Redcoat Secondary School (LM Float)	£15,800
Sir John Cass's Foundation & Redcoat Secondary School (Bursaries)	£3,000
Sir John Cass's Foundation Primary School (LM Float)	£15,800
Sir John Cass's Foundation Primary School (Cass Benefits)	£13,980
Sir John Cass's Foundation Primary School (Memorial Bench)	£857
<b>Grants to Individuals</b>	<b>£14,500</b>
<b>Total Grants Awarded in 2010/11</b>	<b>£745,490</b>

The Foundation awarded twenty grants to organisations, of which four attracted match funding from the Department of Education and the Higher Education Funding Council for England as part of the Voluntary Aided Schools, Higher Education Institutions and Academies Programmes.

## **Sir John Cass's Foundation**

### **Report of the Governors**

---

In addition to making good progress on its grant making priorities, the Foundation also achieved a range of internal efficiency measures agreed during the year. These related to:

- Grant making - the implementation of the monitoring and evaluation and financial policies. This now means that all grants made by the Foundation will be subject to monitoring and evaluation and applicants will have to either draw down funds in the year they were awarded or to apply to the Foundation to have funds rolled over to the next financial year. If applicants fail to either draw down funds or apply to have them rolled over, grants will automatically be withdrawn.
- Re-structuring of the equity and property investments portfolio.
- Improvements in the reporting and presentation of management accounts to the Board to support and facilitate effective decision making.
- Negotiation of funding and property agreements with stakeholders.
- Improvements in internal communications.

### **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:

- Manage the Endowment and Investment Portfolio.
- Maintain and Manage the Grants Programme.
- Continue to Implement the Governance and Scheme Changes needed.
- Continue to work with partners organisations to implement and add value to the Foundation's objects.
- Promote the Foundation through its activities to influence Education policy and direction to the advantage of the Foundation's beneficiaries.
- Continue to improve Foundation efficiency.
- Extend the Foundation's Academy involvement through direct sponsorship.

### **Learning Village, Newham**

The Foundation is currently endeavouring to establish a "Learning Village" in Newham in collaboration with the Prince's Trust and the University of East London. This ground breaking initiative aims to provide a seamless education service to nursery, primary and secondary age pupils, as well as provide for looked after children all on one site. Students would be given an opportunity to follow an academic or a skills/vocational route through secondary education.



## **Sir John Cass's Foundation**

### **Report of the Governors**

---

#### **The Proposed Sir John Cass Square in the City of London**

During the year discussions continued with the City of London Corporation with regards to the possibility of establishing 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 of course, Sir John Cass's Foundation have always been based in Aldgate since 1710 and 1748 respectively. The Sir John Cass Square could be used as an educational resource by both institutions.

#### **Statement of responsibilities of the governors**

The Governors' are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 the 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 1993, 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.

**Sir John Cass's Foundation**

**Report of the Governors**

---

**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 26 October 2011 and signed on their behalf by:**

**NAME: Kevin Everett**

**TITLE: Treasurer & Chairman of the Board**

**SIGNATURE: .....**

**DATE: 26 October 2011**

## **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 2011 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 43 of the Charities Act 1993 and regulations made under section 44 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 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 2011, 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 1993.

## **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 1993 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.

*26 October 2011*

*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 2011**

	Note	Permanent endowment £	Designated funds £	Unrestricted funds £	2011 Total £	2010 Total £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Investment income	2	-	-	1,745,884	<b>1,745,884</b>	1,663,882
Other incoming resources	3	-	-	4,104,218	<b>4,104,218</b>	49,065
<b>Total incoming resources</b>		-	-	<b>5,850,102</b>	<b>5,850,102</b>	1,712,947
<b>Resources expended</b>						
<i>Costs of generating funds:</i>						
Investment management	4	-	-	248,551	<b>248,551</b>	164,188
<i>Charitable activities</i>						
Promotion of education	4	-	-	4,342,134	<b>4,342,134</b>	379,364
Administration for other grant giving charities	4	-	-	43,428	<b>43,428</b>	71,483
Governance costs	4	-	-	175,829	<b>175,829</b>	176,801
Other resources expended	15	-	-	60,000	<b>60,000</b>	68,000
<b>Total resources expended</b>		-	-	<b>4,869,942</b>	<b>4,869,942</b>	859,836
<b>Net incoming resources before other recognised gains and losses</b>						
		-	-	980,160	<b>980,160</b>	853,111
Unrealised gains on tangible fixed assets	9	21,200,000	-	-	<b>21,200,000</b>	41,300
Net gain on investment assets	10	3,144,093	-	48,706	<b>3,192,799</b>	8,823,806
Actuarial (loss)/gains on defined benefit pension	15	-	-	(41,563)	<b>(41,563)</b>	(84,433)
<b>Net movement in funds</b>		24,344,093	-	987,303	<b>25,331,396</b>	9,633,784
<b>Funds at the start of the year</b>		<b>75,113,846</b>	<b>2,408,545</b>	<b>1,691,973</b>	<b>79,214,364</b>	69,580,580
<b>Total funds carried forward</b>		<b>99,457,939</b>	<b>2,408,545</b>	<b>2,679,276</b>	<b>104,545,760</b>	79,214,364

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 17 to the financial statements.

## Sir John Cass's Foundation

### Balance sheet

As at 31 March 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	9	59,489,545	38,289,545
Investments	10	<u>42,303,084</u>	<u>39,925,447</u>
		<b>101,792,629</b>	<b>78,214,992</b>
<b>Current assets</b>			
Debtors	11	2,930,283	24,199
Short term deposits		2,500,000	2,500,000
Cash at bank and in hand		<u>942,157</u>	<u>687,677</u>
		<b>6,372,440</b>	<b>3,211,876</b>
<b>Creditors: amounts falling due within one year</b>	12	<u>2,375,872</u>	<u>667,937</u>
<b>Net current assets</b>		<b>3,996,568</b>	<b>2,543,939</b>
<b>Creditors: amounts falling due after one year</b>	13	<b>(200,000)</b>	<b>(500,000)</b>
<b>Net assets excluding pension liability falling due after one year</b>		<b>105,589,197</b>	<b>80,258,931</b>
<b>Defined benefit pension scheme liability falling due after one year</b>	15	<u>(1,043,437)</u>	<u>(1,044,567)</u>
<b>Net assets including pension liability</b>	16	<u><b>104,545,760</b></u>	<u><b>79,214,364</b></u>
<b>Funds</b>	17		
General unrestricted funds		2,679,276	1,691,973
Designated unrestricted funds		2,408,545	2,408,545
Restricted income funds		-	-
Permanent endowment		<u>99,457,939</u>	<u>75,113,846</u>
<b>Total funds</b>		<u><b>104,545,760</b></u>	<u><b>79,214,364</b></u>

Approved by the Board on 26 October 2011 and signed on its behalf:

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

SIGNATURE: DATE: 26 October 2011

## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

---

#### 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 1993. 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 2011**

---

#### **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. A full actuarial review will be undertaken in 2012.

##### **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. Until this financial year, three of the Foundation's four properties were valued at depreciated replacement cost, on the basis that the Foundation owns specialised properties, in line with the definition of Financial Reporting Standard 15.

The other property was revalued on an existing use basis. However, this year the decision was made to align the valuation basis used for all properties to depreciated replacement cost. The previous valuation estimate was based on the primary function of the building being an office as used by the Foundation. However with the introduction of rent free accommodation into the accounts, the Audit Committee decided that in reality, the primary function of the property is the London Metropolitan's use of the building as an education establishment. On this basis, the property is now considered to be a specialised property.



## **Sir John Cass's Foundation**

### **Notes to the financial statements**

**For the year ended 31 March 2011**

---

#### **1. Accounting policies (continued)**

##### **i) Tangible Fixed Assets (continued)**

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.

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.

## **Sir John Cass's Foundation**

### **Notes to the financial statements**

**For the year ended 31 March 2011**

---

#### **1. Accounting policies (continued)**

##### **k) Funds (continued)**

###### **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.

##### **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 18 concerning related parties), but are not otherwise connected and are run as separate entities. Separate accounts are produced.

## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

---

#### 2. Investment income

	2011	2010
	£	£
Interest on short-term deposits	29,451	33,309
Dividends	882,733	789,341
Rents	<u>833,700</u>	<u>841,232</u>
	<u><u>1,745,884</u></u>	<u><u>1,663,882</u></u>

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

#### 3. Other incoming resources

	2011	2010
	£	£
Fees earned for the administration of other grant giving charities	46,038	38,351
Donations	-	21
Insurance refund	7,232	6,190
Other income	704	4,503
Rent free accommodation	<u>4,050,244</u>	<u>-</u>
	<u><u>4,104,218</u></u>	<u><u>49,065</u></u>

Rent free accommodation provided by the Foundation to its beneficiaries is included in the financial statements for the first time this year, hence there is no prior year comparative. Accounting policy 1g) provides further details of the basis of its inclusion in the financial statements.

## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

#### 4. Total Resources Expended

	Investment management	Promotion of education	Administration for other grant giving charities	Support costs	Governance	2011 Total	2010 Total
	£	£	£	£	£	£	£
Grants payable (note 7)	-	175,800	-	-	-	<b>175,800</b>	293,584
Rent free accommodation (note 3)	-	4,050,244	-	-	-	<b>4,050,244</b>	-
Property management fee	48,358	-	-	-	-	<b>48,358</b>	54,854
Staff costs (note 6)	20,691	43,680	27,588	68,969	68,969	<b>229,897</b>	215,220
Staff training	-	-	-	2,339	-	<b>2,339</b>	1,985
Maintenance of inv portfolio	62,239	-	-	-	-	<b>62,239</b>	63,952
Office costs	-	-	-	100,481	-	<b>100,481</b>	100,403
Professional fees	74,270	-	-	54,492	-	<b>128,762</b>	45,874
Auditors' remuneration (note 5)	-	-	-	-	7,600	<b>7,600</b>	13,160
Board members' travel	-	-	-	-	4,222	<b>4,222</b>	2,804
<b>Resources expended</b>	<b>205,558</b>	<b>4,269,724</b>	<b>27,588</b>	<b>226,281</b>	<b>80,791</b>	<b>4,809,942</b>	791,836
Re-allocation of Support costs	42,993	72,410	15,840	(226,281) *	95,038	-	-
<b>Total resources expended</b>	<b>248,551</b>	<b>4,342,134</b>	<b>43,428</b>	<b>-</b>	<b>175,829</b>	<b>4,809,942</b>	791,836

\* Support costs have been re-allocated on the basis of staff time as follows: Investment management - 19% (2010: 11%), Promotion of education - 32% (2010: 24%), Administration of other grant giving charities - 7% (2010: 20%), Governance - 42% (2010: 45%)

## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

---

#### 5. Net incoming/(outgoing) resources for the year

This is stated after charging:	<b>2011</b>	2010
	£	£
Board members' remuneration	-	-
Board members' reimbursed expenses	<b>4,222</b>	2,804
Auditors' remuneration:		
▪ Audit	<b>7,600</b>	8,436
▪ Under accrual from previous year	-	4,724
	<u><b>          </b></u>	<u><b>          </b></u>

Six board members claimed expenses for travel in 2010-2011 (2009/2010 - 11).

#### 6. Staff costs and numbers

	<b>2011</b>	2010
	£	£
Remuneration (including benefits in kind)	<b>190,291</b>	182,263
Social security costs	<b>20,715</b>	19,242
Pension costs	<b>18,891</b>	13,715
	<u><b>          </b></u>	<u><b>          </b></u>
	<u><b>229,897</b></u>	<u><b>215,220</b></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.

No member of staff earned remuneration over £60,000.

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

	<b>2011</b>	2010
	No.	No.
Investment management	<b>0.64</b>	0.51
Promotion of education	<b>1.24</b>	1.10
Administration for other grant giving charities	<b>0.78</b>	0.92
Governance	<b>1.93</b>	2.07
	<u><b>          </b></u>	<u><b>          </b></u>
	<u><b>4.60</b></u>	<u><b>4.60</b></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 2011

#### 7. Grants Payable

Reconciliation	2011 £	2010 £
Creditors at the start of the period	1,012,690	1,612,023
Grants awarded in the year (note 4)	<u>509,725</u>	<u>293,584</u>
Grants committed to in the year	<u>1,522,415</u>	<u>1,905,607</u>
Grants cancelled during the year (note 4)	(333,925) *	-
Grants paid during the year	<u>(745,490)</u>	<u>(892,917)</u>
Creditors at the end of the period	<u>443,000</u>	<u>1,012,690</u>
Creditors at the year end are payable as follows:		
Within one year (note 12)	243,000	512,690
After one year (note 13)	<u>200,000</u>	<u>500,000</u>
	<u>443,000</u>	<u>1,012,690</u>

\* Includes a correction of £100,000 relating to grant commitments which was included last year in error. This correction has been included in the 2011 accounts, rather than making a prior year adjustment. A prior year adjustment is only required if the error is of such significance that it destroys the true and fair view of last year's accounts. The Governors do not consider this to be the case.

#### 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 2010	2,408,545	35,881,000	38,289,545
Revaluation during the year	-	21,200,000	21,200,000
At 31 March 2011	<u>2,408,545</u>	<u>57,081,000</u>	<u>59,489,545</u>

## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

---

#### 9. Tangible fixed assets (continued)

Sir John Cass's Foundation own 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.

Three of these properties were revalued on 31 October 2008 on a depreciated replacement costs basis by the Foundation's property advisors, Jones Lang LaSalle as follows: Primary School - £8,221,000; Secondary School - £22,760,000; and Cass & Claredale Halls of Residence - £4,500,000.

The valuations of these three properties were reviewed for insurance purposes at 31 March 2010 by the occupiers and included in the relevant insurance policies at the following valuations: Primary School - £9,400,000; Secondary School - £26,100,000; and Cass & Claredale Halls of Residence - £6,800,000. On the basis of this information, the Foundation is satisfied that no impairment provision is required.

The decision was made in the year by the Audit Committee to change the estimation basis for valuing the fourth property (31 Jewry Street) from existing use basis to depreciated replacement cost. More details are provided in accounting policy (i). During the year, the property was revalued to £21,600,000, based on valuation advice provided by the Foundation's property advisors, Jones Lang LaSalle on 31 October 2008. An unrealised gain on revaluation of £21,200,000 has been included in the Statement of Financial Activities.

The tenants of 31 Jewry Street have provided an insurance valuation of £20,759,684 for their element of the property. The Sir John Cass's Foundation occupy 4% of the building and if you pro-rate this insurance valuation, a figure of £21,624,670 is derived. On the basis of this information, the Foundation is satisfied that no impairment provision is required.

The Foundation also has a collection of works of art and silver including a statue of Sir John Cass by the sculptor Louis Francois Roubilliac, a collection of painted panels by the artist Robert Robinson (dating from 1696) and an historic document archive. The Roubilliac statue is on permanent loan to the City of London Corporation and is on display in the Guildhall. The archive has also been moved to the City of London Corporation's Library at the Guildhall. The works of art were valued in 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).

**Sir John Cass's Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2011**

**10. Investments**

	2011	2010
	£	£
Market value at the year start	<b>39,790,033</b>	<u>31,164,459</u>
Investment additions at cost	<b>7,758,686</b>	4,418,576
Investment property addition at cost	<b>2,100,000</b>	-
Investment disposal proceeds	<b>(7,764,241)</b>	(4,616,808)
Investment property disposal proceeds	<b>(2,900,000)</b>	-
Total investment disposals	<b>(805,555)</b>	<u>(198,232)</u>
Net gain on investments	<b>2,435,299</b>	8,009,730
Net gain on properties	<b>757,500</b>	814,076
	<b>3,192,799</b>	<u>8,823,806</u>
Market value of investments at the end of the year	<b>42,177,277</b>	39,790,033
Cash held as part of investment portfolio	<b>125,807</b>	<u>135,414</u>
	<b>42,303,084</b>	<u>39,925,447</u>

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:

	2011	2010
	£	£
UK Common investment funds	<b>29,720,259</b>	27,300,122
Investment properties in the UK	<b>12,582,825</b>	<u>12,625,325</u>
	<b>42,303,084</b>	<u>39,925,447</u>

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

	£	%
Investment properties in the UK	<b>12,582,825</b>	29.74%
Sarasin Int Equity Inc CLS 'B' Inc	<b>6,313,239</b>	14.92%
Sarasin Equisar Global Thematic Fund Inc B Shares	<b>4,292,846</b>	10.15%

Investment properties are stated at market value. Valuations of the Foundation's properties as at 31 March 2011, on an open market basis, were carried out by Jones Lang LaSalle Limited, Chartered Surveyors.



## Sir John Cass's Foundation

### Notes to the financial statements

For the year ended 31 March 2011

---

#### 10. Investments (continued)

##### Post balance sheet event: Addition and sale of investment properties:

###### Sale of investment property

Contracts for the sale of an investment property owned by the Foundation were exchanged with the buyer in December 2010. The property was sold in May 2011 for £2.9 million. The investment property has been disposed of in the accounts and a realised gain of £757,500 has been recognised. The sales fee receivable by the Foundation has been recognised as a debtor at the year end (See note 11).

###### Purchase of an investment property

Contracts were exchanged between the Foundation and the seller for a new investment property in March 2011. The purchase was completed in April 2011. The Foundation paid £2.1 million for the new property and this is included as an addition to investments in this financial year. A deposit of £105,000 was paid before the year end and the remaining balance of £1,995,000 plus other fees of £2,032 are included within creditors (See note 12).

#### 11. Debtors

	2011 £	2010 £
Sundry debtors	30,283	24,199
Proceeds from disposal of investment property (note 10)	<u>2,900,000</u>	<u>-</u>
	<u><u>2,930,283</u></u>	<u><u>24,199</u></u>

**Sir John Cass's Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2011**

**12. Creditors: amounts falling due within one year**

	2011 £	2010 £
<b>Grant creditors</b>		
Individuals	<b>1,000</b>	-
Organisations, Academy Programme and Universities (note 7)	<b>242,000</b>	512,690
	<b>243,000</b>	512,690
Trade and other creditors	<b>14,768</b>	30,660
Accruals	<b>19,509</b>	24,154
Amount payable on purchase of investment property	<b>1,997,032</b>	-
Pension creditor due within one year (note 15)	<b>101,563</b>	100,433
	<b>2,375,872</b>	667,937

**13. Creditors: amounts falling due after one year**

	2011 £	2010 £
<b>Grant creditors</b> (note 7)		
Academy Programme and Universities	<b>200,000</b>	500,000

**14. Grant commitments**

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

	2011 £	2010 £
Within one year	<b>225,358</b>	194,915
Between one and two years	<b>280,200</b>	64,068
Between two and three years	<b>346,000</b>	26,200
Greater than three years	<b>356,000</b>	-
	<b>1,207,558</b>	285,183

**Sir John Cass's Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2011**

**15. Pension liabilities**

	2011 £	2010 £
Balance at the start of the year	<u>1,145,000</u>	<u>1,093,000</u>
Benefits paid	<b>(101,563)</b>	(100,433)
Interest cost	<b>60,000</b>	68,000
Actuarial loss/(gain) to future pension obligations	<u>41,563</u>	<u>84,433</u>
Net movement in provision in the year	<u>-</u>	<u>52,000</u>
Balance at the end of the year	<u><b>1,145,000</b></u>	<u>1,145,000</u>
Benefits payable falling due within one year	<b>101,563</b>	100,433
Benefits payable falling due after one year	<u>1,043,437</u>	<u>1,044,567</u>
Balance at the end of the year	<u><b>1,145,000</b></u>	<u>1,145,000</u>

The Foundation used to operate an unfunded defined benefit pension scheme for employees of the Foundation. This scheme was closed to new members in 1990. There are currently eight members, all retired, and all obligations which exceed the accounted for liability are met out of unrestricted reserves. The pension provision is reviewed for its adequacy annually at the balance sheet date by a recognised firm of actuaries. The outstanding liability was estimated using FRS17 valuation methodology with the following assumptions:

	2011 % per annum	2010 % per annum
Economic assumptions		
Discount rate applied	<b>5.50</b>	5.50
Increases to pension payment	<b>2.50</b>	2.50

**History of experience gains and losses**

Experience gain/(loss) arising on the scheme liabilities (£'000)	<b>(32,000)</b>	10,000
Percentage of present value scheme liabilities	<b>2.8%</b>	0.9%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	<b>(7,000)</b>	(91,000)
Percentage of present value of scheme liabilities	<b>0.6%</b>	7.9%

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

	2007 (£'000)	2008 (£'000)	2009 (£'000)	2010 (£'000)	2011 (£'000)
Total pension liability	<u>1,282</u>	<u>1,213</u>	<u>1,093</u>	<u>1,145</u>	<u>1,145</u>

**Sir John Cass's Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2011**

**16. Analysis of net assets between funds**

	Permanent endowment fund £	Designated funds £	General funds £	<b>Total funds £</b>
Tangible fixed assets	57,081,000	2,408,545	-	<b>59,489,545</b>
Investments	41,471,939	-	831,145	<b>42,303,084</b>
Net current assets	905,000	-	3,091,568	<b>3,996,568</b>
Long term liabilities	-	-	(1,243,437)	<b>(1,243,437)</b>
<b>Net assets at the end of the year</b>	<b><u>99,457,939</u></b>	<b><u>2,408,545</u></b>	<b><u>2,679,276</u></b>	<b><u>104,545,760</u></b>

**17. Movements in funds**

	At 1 April 2010 £	Incoming Resources £	Outgoing Resources £	Realised/ unrealised gains & losses/ movement in pension £	Transfers between funds	At 31 March 2011 £
<b>Endowment funds</b>	75,113,846	-	-	24,344,093 *	-	<b>99,457,939</b>
<b>Designated unrestricted funds</b>						
Art reserve	2,408,545	-	-	-	-	<b>2,408,545</b>
<b>General unrestricted funds</b>	<u>1,691,973</u>	<u>5,850,102</u>	<u>(4,869,942)</u>	<u>7,143</u>	<u>-</u>	<b><u>2,679,276</u></b>
<b>Total funds</b>	<b><u>79,214,364</u></b>	<b><u>5,850,102</u></b>	<b><u>(4,869,942)</u></b>	<b><u>24,351,236</u></b>	<b><u>-</u></b>	<b><u>104,545,760</u></b>

\* The movement in the endowment funds includes the revaluation of the Foundation's properties and investments as referred to in notes 9 and 10.

**Purpose of designated funds**

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

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2011

18. 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		£30,637	£397,245	£427,882
Sir John Cass's Foundation and Redcoat Secondary School	Freehold of the School owned by the Foundation		Four members of the Governing Body		£75,500	£1,953,756	£2,029,256
Aldgate and Allhallows Exhibition Foundation	Shares offices and administered by staff of the Foundation			£46,038			
City University			One Council Member, Two Court Members & Two Members to Cass Business School Advisory Board		£70,175		£70,175
London Metropolitan University	Occupies Foundation's premises at 31 Jewry Street, London		One Council Member			£1,030,939	£1,030,939
London Diocesan Board of Education		One member of the Board					
Southwark Diocesan Board of Education		One member of the Board			£100,000		£100,000
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