

Charity number: 312425

Sir John Cass's Foundation
Report and Financial Statements

Annual report 2017
For the year ending
31 March 2017



Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2017

Charity number 312425

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

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

The Foundation's Board of Governors

Name	Office	Committee/s
Dr Kevin Everett OSt.J DSc (Deputy)	Treasurer and Chairman	Grants, Staff Remuneration, Nomination and Investment (ad hoc)
David Hogben	Chairman of Audit & Compliance	Audit & Compliance, Grants, Staff Remuneration, Nomination and Investment (ad hoc)
John Hall	Chairman of Grants appointed 25th January, 2017	Grants
HH Brian Barker CBE QC		Audit & Compliance
Paul Bloomfield		Grants and Audit & Compliance
The Reverend Trevor Critchlow		
Graham Forbes FRICS		Audit & Compliance and Investment (ad hoc)
The Reverend Laura Jørgensen BSc BTh ARSM		Grants
Helen Meixner CMG (resigned 13 th July, 2016)	Chairman of Grants	Grants and Staff Remuneration
Jenny Moseley		Grants
Mervyn Streatfeild MA (Oxon)	Honorary Governor	Grants
Professor Mike Thorne CBE	Deputy Treasurer	Grants, Staff Remuneration, Nomination
Sophie Fernandes CC	Deputy Chairman of Grants appointed 15 th March 2017	Grants and Nomination

Sir John Cass's Foundation

Reference and administrative details

For the year ended 31 March 2017

Principal officer	Richard Foley	Clerk / Chief Executive
Bankers	Coutts & Co Commercial Banking 440 Strand London WC2R 0QS	
Solicitors	Howard Kennedy FSi 19 Cavendish Square London W1A 2AW	
Property Managers	Fletcher King 61 Conduit Street London W1S 2GB	
Investment Managers	Sarasin and Partners Juxon House 100 St. Paul's Churchyard London EC4M 8BU	
Pension Actuary	Capita Hartshead Actuarial and Consultancy Services (Formerly called Gissings Consultancy Services) Ludgate House 2nd Floor 245 Blackfriars Road London SE1 9UF	
Accountants	Myers Clark Chartered Accountants and Registered Auditors Egale 1, 80 St Albans Road, Watford, WD17 1DL	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

Sir John Cass's Foundation

Treasurer's report

For the year ended 31 March 2017

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

The Board has agreed to pay grants of approximately £1.4million with a further £1.2 million of grant payments committed in future years. The Foundation also continued to provide substantial support in the form of rent free accommodation to both its schools, of which it is the Sole Trustee: Sir John Cass's Foundation Primary School and Sir John Cass's Foundation & Redcoat Secondary School, as well as Cass and Claredale Halls of Residence.

The Foundation continues to advance its mission to help educate London's young people living in low-income and disadvantaged communities. During the year, the Foundation agreed a grant of £400,000 to St. Mary's University, London towards the First Star Programme, which involves assisting Looked After Children. The programme emanates from the United States and the Foundation hopes that this international knowledge transfer will be documented and an evidence base will be established; the information and data garnered over the next four years will hopefully be disseminated to the Department for Education and other education providers. The Board also continued in its commitment to identify and fund innovation, with Chance UK awarded a grant to undertake a pioneering Randomised Control Trial with children and their families living in Hackney who had been identified as high risk of long-term social and educational exclusion. Reflecting on our long history of bringing young people from all backgrounds into education the Foundation provided support to projects run by Centre Point for improving access to opportunity for young homeless learners in the Capital; the Irene Taylor Trust's education work with the Newham Youth Offending Team; and a project to improve school readiness of children from the Gypsy, Roma and Traveller community through the work of the Westway Trust.

Alongside new awards, the Foundation was delighted to renew its support for the outdoor learning programme at the Hampshire and Cass Foundation Mountain Centre. Grants were provided to students from a selection from inner-London schools to access this valuable learning opportunity outside the classroom and the chance to enjoy a range of outdoor activities, to which they would not have access in the more built up, urban environment.

The Foundation continued to inform and stimulate debate on future education policy at its annual Cass Foundation Lecture. The 10th Lecture was delivered by Professor Sir Adrian Smith, FRS entitled "The world's largest classroom – the outreach of the University of London since 1858." The Foundation also provides support for the Festival of Education, a two-day event held at Wellington College in June 2016.

I am delighted to report that, having obtained vacant possession of its Jewry Street headquarters building in June 2015, the Foundation signed a lease in July 2016 with a new tenant, David Game College. The Foundation's headquarters will be extensively refurbished, and the Foundation will gain the benefit of an additional income stream for the next twenty years, from which it can assist many more beneficiaries. The Foundation's own premises will also benefit from a refurbishment, including the construction of a state-of-the art archive in the basement area.

It would be remiss of me not to thank Helen Meixner CMG, the former Chairman of the Grants Committee, who resigned in July 2016, for her dedicated service to the Foundation for over eight years; the Foundation is delighted that Helen has agreed to stay in contact, becoming the Foundation's first Ambassador. I would also like to welcome Emma Hale, Nicole Hornby and Shahanara Begum as the Foundation's new Grants Manager, Grants Officer and Legal & Property Intern respectively; I hope they enjoy their time at the Foundation.

I would like to thank my fellow Board members who have again this year spent an enormous amount of time on Foundation business, particularly visiting beneficiaries and representing the Foundation at external events.

Sir John Cass's Foundation

Treasurer's report

For the year ended 31 March 2017

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

Dr Kevin Everett (Deputy)

Treasurer & Chairman

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

The Board present their report and the audited financial statements for the year ended 31 March 2017. The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the Charity's Scheme, applicable law and the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Nature of governing document and how the charity is constituted

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

Membership of the Board

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

Methods of recruiting and appointing new Board Members

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

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

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

Board Member Interests

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

Induction and Learning & Development

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

The Foundation's governance framework determines the appointment of the Treasurer and Deputy Treasurer [who are elected annually], and the nature, frequency and operation of Board and committee meetings. The Board met five times during the financial year 2016/17.

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

Relationships with other charitable, public and private sector organisations

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

The Foundation also makes nominations to:

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

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

Remuneration policy

The key management personnel pay scales are benchmarked against those of the City of London Corporation and are regularly compared with other similar charities.

Risk Management

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

Objectives and Activities

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

Its Vision, Mission and Values are:

Vision

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

Mission

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

Values

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

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

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

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

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

Public Benefit

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

Grant Making

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

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

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

Grants Strategy

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

1 Widening Participation:

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

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Grant Making

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

Actual performance

The Foundation paid and committed £1,064,651 (£3,433,778 in 2015/16) in grants during the year as follows:

Grants Programmes	£
Foundation's Schools	£155,265
Grants to Organisations working with Foundation's Schools	£70,000
Other Cass Institutions	£125,000
Organisations	£622,286
Individuals	£92,100
TOTAL	£1,064,651

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

Grant Making to Individuals

Bursaries totalling £8,000 were made to eight Old Cassians and other students who had previously attended either Sir John Cass's Foundation Primary or Sir John Cass's Foundation Secondary Schools. In the case of the bursaries at the schools, these awards and prizes were presented to the students at the Annual Prize Giving Evening held at Sir John Cass's Foundation Church of England Secondary School in autumn, 2016, by Paul James, Head of Administration at Sir John Cass's Foundation.

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	£75,000
Individual Grants to Old Cassians and other students	£17,100
Total	£92,100

Monitoring & Evaluation

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

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

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

Monitoring and evaluation is expected wherever possible to be organised by the receiver rather than the Foundation. It can be undertaken by the organisation itself, by an independent body or by an external consultant appointed by the Foundation. The cost of the evaluation is included in the applicant's budget, and each application is considered on a case by case basis, with the Grants Committee deciding how proportionate and appropriate evaluation will be arranged.

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 tenth Sir John Cass's Foundation Lecture delivered at the Cass Business School in November 2016 by Professor Sir Adrian Smith, FRS entitled "The world's largest classroom – the outreach of the University of London since 1858". Professor Smith kindly agreed that the Foundation could publish the transcript of the lecture. Copies of the publication will be distributed to all members of the House of Commons, House of Lords, Members of the European Parliament and Universities throughout the UK.

Festival of Education

The Foundation was once again a major sponsor of the Festival of Education which was held over two days at Wellington College in Berkshire in June 2016. The Foundation was also a major sponsor of the inaugural Festival of Higher Education which was held at the University of Buckingham also in June 2016. Both Festivals attracted a host of visitors and approximately 200 speakers and interested parties from across the educational and political spectrum.

FINANCIAL REVIEW

Investment Strategy

The Board continued to adhere to the investment strategy to:

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

Investment Performance

Income from the Foundation's investments increased significantly during the year (excluding rent free accommodation); from £2,107,562 in 2015/16 to £ 3,769,116 in 2016/17. This was primarily as a result of the rental income from the Foundation's Jewry Street premises which was let from July 2016.

The Foundation's listed investments increased in value by nearly 11% from £36,897,460 at 31 March 2016 to £40,935,872 at 31 March 2017.

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 2017 the Foundation's general unrestricted funds were £4.6m of which £600,000 is the Foundation's operating reserve as indicated above. This leaves a grant enabling fund of £4.0m to meet future grant applications including the Foundation's commitments of over £900,000 reported at note 23 to the accounts.

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

ACHIEVEMENTS & PERFORMANCE – 2016/17

Grant Making

The Foundation awarded the following grants during the year:

Organisation Name	Amount
Grants to the Foundation's Schools	£155,265
Sir John Cass's Foundation Primary School (Provision of Interactive Smartboards)	£40,779
Sir John Cass's Foundation Primary School (Cass Benefits)	£17,500
Sir John Cass's Foundation Primary School (School Trip to Wales)	£6,000
	£64,279

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

Sir John Cass's Foundation Secondary School (Cass Benefits)	£64,400
Sir John Cass's Foundation Secondary School (50 th Anniversary Celebrations)	£11,086
Sir John Cass's Foundation Secondary School (Change Management Project)	£9,000
Sir John Cass's Foundation Secondary School (Cass Prizes)	£3,000
Sir John Cass's Foundation Secondary School (Foundation Scholars)	£2,000
Sir John Cass's Foundation Secondary School (School Trip to Wales)	£1,500
	£90,986
Grants to Organisations working with the Foundation's Schools	£70,000
Hampshire County Council (Cass Foundation Mountain Centre)	£70,000
Grants to Cass Institutions	£125,000
City University (Cass Business School)	£100,000
University of East London (Sports Bursaries)	£25,000
Grants to Organisations	£622,286
St Mary's Twickenham – First Star Programme	£100,000
University of London – Distance Learning Scholarship Programme	£50,400
Charterhouse	£50,000
Tutu UK Foundation	£50,000
The Wellington Trust	£46,832
British Academy	£43,000
Raleigh International	£35,950
Chance UK	£35,000
London Design & Engineering UTC	£30,000
Centrepont	£29,847
Building Crafts College	£26,000
Pembroke College	£20,000
London College of Fashion	£17,750
House of St Barnabas	£15,000
Prisoners' Education Trust	£11,900
AHOY Centre	£10,000
Cripplegate Foundation	£10,000
Hand Engravers' Trust	£8,840
Irene Taylor Trust	£8,720
Mayor of London's Fund for Young Musicians	£6,000
IOE Prison Education Conference	£5,000
Roundabout	£4,967
British Postal Museum	£4,080
London Borough of Islington – Street Kids to Rio	£3,000
Grants to Individuals	£92,100
Total Grants	£1,064,651

Forward Look

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

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

Statement of Responsibilities of the Governors

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sir John Cass's Foundation

Report of the Governors

For the year ended 31 March 2017

Auditor

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

Approved by the Board on 18 October 2017 and signed on their behalf by:

NAME: Kevin Everett

TITLE: Treasurer & Chairman of the Board

SIGNATURE:

DATE: 18 October 2017

Independent auditor's report

To the Board of Governors of

Sir John Cass's Foundation

Opinion

We have audited the financial statements of Sir John Cass's Foundation (the 'charity') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Independent auditor's report

To the Board of Governors of

Sir John Cass's Foundation

Matters on which we are required to report by exception

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charity's Governors as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

Independent auditor's report

To the Board of Governors of

Sir John Cass's Foundation

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

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

28 November 2017

Sayer Vincent LLP, Statutory Auditor

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

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

Statement of financial activities

For the year ended 31 March 2017

	Note	Unrestricted £	Restricted £	Designated £	Permanent Endowment £	2017 Total £	2016 Total £
Income from:							
Donations and legacies	3	1,985	-	-	-	1,985	25,803
Investments	4	6,788,421	-	-	-	6,788,421	5,384,602
Other	5	57,582	-	-	-	57,582	99,902
Total income		6,847,988	-	-	-	6,847,988	5,510,307
Expenditure on:							
Raising funds	6	548,897	-	-	-	548,897	421,507
Charitable activities							
Promotion of education	6	4,615,698	13,000	-	-	4,628,698	7,361,324
Other		28,000	-	-	-	28,000	27,000
Total expenditure		5,192,595	13,000	-	-	5,205,595	7,809,831
Net (expenditure) / income before net gains on investments		1,655,393	(13,000)	-	-	1,642,393	(2,299,524)
Net gains on investments		-	-	-	4,038,417	4,038,417	16,231,919
Net income / (expenditure) before other recognised gains and losses		1,655,393	(13,000)	-	4,038,417	5,680,810	13,932,395
Gains on revaluation of fixed assets		-	-	-	-	-	497,850
Actuarial losses on defined benefit pension schemes		6,662	-	-	-	6,662	(1,851)
Net movement in funds		1,662,055	(13,000)	-	4,038,417	5,687,472	14,428,394
Reconciliation of funds:							
Total funds brought forward		2,998,675	36,416	2,906,395	141,676,046	147,617,532	133,189,138
Total funds carried forward		4,660,730	23,416	2,906,395	145,714,463	153,305,004	147,617,532

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20.

Sir John Cass's Foundation

Balance sheet

As at 31 March 2017

	Note	£	2017 £	2016 £
Fixed assets:				
Tangible assets	12		43,868,363	63,376,395
Investment properties	13		67,115,000	47,120,000
Investments	14		40,935,872	36,897,460
			<u>151,919,235</u>	<u>147,393,855</u>
Current assets:				
Debtors	15	1,701,999	205,733	
Cash at bank and in hand		1,143,841	1,738,236	
		<u>2,845,840</u>	<u>1,943,969</u>	
Liabilities:				
Creditors: amounts falling due within one year	16	651,071	554,292	
			<u>554,292</u>	
Net current assets			<u>2,194,769</u>	<u>1,389,677</u>
Total assets less current liabilities			<u>154,114,004</u>	<u>148,783,532</u>
Creditors: amounts falling due after one year	17		-	(300,000)
			<u>-</u>	<u>(300,000)</u>
Net assets excluding pension asset liability			<u>154,114,004</u>	<u>148,483,532</u>
Defined benefit pension scheme asset / (liability)	18		(809,000)	(866,000)
			<u>(809,000)</u>	<u>(866,000)</u>
Total net assets			<u><u>153,305,004</u></u>	<u><u>147,617,532</u></u>
The funds of the charity:				
Permanent endowment funds	20		145,714,463	141,676,046
Restricted income funds			23,416	36,416
Unrestricted income funds:				
Designated funds		2,906,395	2,906,395	
General funds		4,660,730	2,998,675	
		<u>7,567,125</u>	<u>5,905,070</u>	
Total unrestricted funds			<u>7,567,125</u>	<u>5,905,070</u>
Total charity funds			<u><u>153,305,004</u></u>	<u><u>147,617,532</u></u>

Approved by the trustees on 18 October 2017 and signed on their behalf by

Kevin Everett
Treasurer and Chairman

David Hogben
Chairman of Audit and Compliance

Sir John Cass's Foundation

Statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(3,876,592)		(3,843,537)
Cash flows from investing activities:					
Dividends, interest and rents from investments		3,769,116		2,107,562	
Purchase of tangible fixed assets		(486,968)		-	
Proceeds from sale of investments		27,685,282		8,385,233	
Purchase of investments		(28,436,774)		(7,630,146)	
Net cash used in investing activities			2,530,656		2,862,649
Change in cash and cash equivalents in the year			(1,345,936)		(980,888)
Cash and cash equivalents at the beginning of the year			2,687,295		3,668,183
Cash and cash equivalents at the end of the year	22		1,341,359		2,687,295

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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

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

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

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Foundation has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Foundation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Foundation which is the amount the Foundation would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

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

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

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

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

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

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

Included in the Foundation's expenditure on charitable activities is non-monetary support provided in the form of rent free accommodation to the Sir John Cass's Foundation Primary and Secondary Schools, Cass and Claredale Halls of Residence and London Metropolitan University (2016 only). An estimate of the rent free accommodation provided is included in the accounts based on the space occupied by the tenants multiplied by an estimated rental value per square foot as provided by the Foundation's property advisors.

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

j) Allocation of support costs

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

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

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

● Raising funds	16.67%
● Promotion of education	83.33%

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

k) Operating leases

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

l) Tangible fixed assets

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

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

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

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

1 Accounting policies (continued)

m) Investment properties

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

n) Listed investments

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

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions

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

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

r) Financial instruments

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

s) Pensions

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

2 Detailed comparatives for the statements of financial activities

	Unrestricted £	Restricted £	Designated £	Endowment £	2016 Total £
Income from:					
Donations and legacies	553	25,250	-	-	25,803
Investments	5,384,602	-	-	-	5,384,602
Other	99,902	-	-	-	99,902
Total income	5,485,057	25,250	-	-	5,510,307
Expenditure on:					
Raising funds	421,507	-	-	-	421,507
Charitable activities	7,289,824	71,500	-	-	7,361,324
Other	27,000	-	-	-	27,000
Total expenditure	7,738,331	71,500	-	-	7,809,831
Net expenditure before gains on investments	(2,253,274)	(46,250)	-	-	(2,299,524)
Net gains on investments	-	-	-	16,231,919	16,231,919
Net income / (expenditure) before other recognised gains and losses	(2,253,274)	(46,250)	-	16,231,919	13,932,395
Gains on revaluation of fixed assets	-	-	497,850	-	497,850
Actuarial losses on defined benefit pension schemes	(1,851)	-	-	-	(1,851)
Net movement in funds	(2,255,125)	(46,250)	497,850	16,231,919	14,428,394
Total funds brought forward	5,253,800	82,666	2,408,545	125,444,127	133,189,138
Total funds carried forward	2,998,675	36,416	2,906,395	141,676,046	147,617,532

3 Income from donations and legacies

	2017 Total £	2016 Total £
Gifts	1,985	25,803
	1,985	25,803

4 Income from investments

	2017 Total £	2016 Total £
Interest received	1,556	3,409
Dividends	1,604,437	1,366,546
Rental income	2,163,123	737,607
Rent free accommodation	3,019,305	3,277,040
	6,788,421	5,384,602

As indicated at note 12 the Foundation does not charge the occupiers rental for the use of certain properties. During the previous year the Foundation obtained vacant possession of 31 Jewry Street and the value of the rent free accommodation in respect of that property was been reduced accordingly. There is no amount included for rent free accommodation in 2017 for 31 Jewry Street.

5 Other income

	2017 Total £	2016 Total £
Administration for other grant giving charities	39,007	34,902
Other property income	18,575	65,000
	57,582	99,902

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2017

6 Analysis of expenditure

	Cost of raising funds £	Promotion of education £	Governance costs £	Support costs £	Other £	2017 Total £	2016 Total £
Staff costs (Note 9)	55,398	96,996	83,130	96,996	-	332,520	308,732
Grants payable (Note 7)	-	1,064,651	-	-	-	1,064,651	3,433,778
Rent free accommodation (Note 7)	-	3,019,305	-	-	-	3,019,305	3,277,040
Maintenance of investments	28,351	-	-	-	-	28,351	12,112
Office costs	138,899	-	-	266,022	-	404,921	484,552
Professional fees	265,567	-	46,007	1,000	-	312,574	252,131
Auditors' remuneration	-	-	8,800	-	-	8,800	8,750
Board members' travel	-	-	6,473	-	-	6,473	5,736
Pension scheme – interest cost	-	-	-	-	28,000	28,000	27,000
	488,215	4,180,952	144,410	364,018	28,000	5,205,595	7,809,831
Support costs	60,682	303,336	-	(364,018)	-	-	-
Governance costs	-	144,410	(144,410)	-	-	-	-
Total expenditure 2017	548,897	4,628,698	-	-	28,000	5,205,595	
Total expenditure 2016	421,507	7,361,324	-	-	27,000		7,809,831

7 Grant making

	Grants to institutions £	Grants to individuals £	2017 £	2016 £
Cost				
Promotion of education	972,551	92,100	1,064,651	3,433,778
Rent free accommodation	3,019,305	-	3,019,305	3,277,040
	<u>3,991,856</u>	<u>92,100</u>	<u>4,083,956</u>	<u>6,710,818</u>

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

8 Net incoming resources for the year

This is stated after charging / crediting:

	2017 £	2016 £
Auditor's remuneration (excluding VAT):		
Audit	<u>8,800</u>	<u>8,550</u>

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	279,856	261,706
Redundancy and termination costs	-	-
Social security costs	29,652	27,712
Employer's contribution to defined contribution pension schemes	23,013	19,314
	<u>332,521</u>	<u>308,732</u>

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

	2017 No.	2016 No.
£70,000 – £79,999	-	1
£80,000 – £89,999	<u>1</u>	<u>-</u>

The total employee benefits, including employer pension contributions and employer national insurance, of the key management personnel were £200,589 (2016: £163,695).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £6,473 (2016: £5,736) incurred by 6 (2016: 8) members relating to attendance at meetings of the trustees.

10 Staff numbers

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

	2017 No.	2016 No.
Raising funds	1.34	1.00
Promotion of education	1.80	2.35
Administration for other grant giving charities	0.53	0.40
Support	2.33	2.33
Governance	2.00	1.50
	8.00	7.58

11 Taxation

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

12 Tangible fixed assets

	Art £	Freehold property £	Total £
At valuation			
At the start of the year	2,906,395	60,470,000	63,376,395
Transfer to investments	-	(19,995,000)	(19,995,000)
Additions	-	486,968	486,968
At the end of the year	2,906,395	40,961,968	43,868,363
Depreciation			
At the start and end of the year	-	-	-
Net book value			
At the end of the year	2,906,395	40,961,968	43,868,363
At the start of the year	2,906,395	60,470,000	63,376,395

Sir John Cass's Foundation owns four properties (Sir John Cass's Foundation Primary School, Sir John Cass's Foundation and Redcoat Secondary School, 31 Jewry Street and Cass Halls of Residence. The two Schools and the Halls of Residence are used for direct charitable purposes. The Foundation does not charge the occupiers rental for the use of these properties, however, a valuation of the rent free accommodation is provided in note 4.

The property at 31 Jewry Street has always been partly occupied by the Foundation but until 2016 was predominantly occupied by London Metropolitan University. The University moved out last year and the space that they previously occupied was commercially let. As the property is no longer used for direct charitable purposes it has been transferred to investment properties (note 13). The space that is still occupied by the Foundation has been retained in tangible fixed assets.

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

The Foundation also has a collection of works of art and silver including a statue of Sir John Cass by the sculptor Louis Francois Roubilliac, a collection of painted panels by the artist Robert Robinson (dating from 1696) and an historic document archive. The Roubilliac statue is on permanent loan to the City of London Corporation and is on display in the Guildhall. The archive has also been moved to the City of London Corporation's Library at the Guildhall. The works of art were valued in 2016 by Sotheby's at £2,906,395 for insurance purposes, at the probable cost of replacing the items.

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

13 Investment properties

	At cost £	At valuation £	2017 Total £	2016 Total £
Fair value at the start of the year	–	47,120,000	47,120,000	28,483,750
Transferred from tangible fixed assets	–	19,995,000	19,995,000	–
Revaluation during the year	–	–	–	18,636,250
Fair value at the end of the year	–	67,115,000	67,115,000	47,120,000

The properties were last valued on 31 March 2016 by Fletcher King, Chartered Surveyors who have advised that there is no significant change in value at 31 March 2017. The property at 31 Jewry Street which has been transferred from fixed assets will be revalued at 31 March 2018.

14 Listed investments

	2017 £	2016 £
Fair value at the start of the year	35,948,401	39,107,819
Additions at cost	28,436,774	7,630,146
Disposal proceeds	(27,685,238)	(8,385,233)
Net (loss) / gain on change in fair value	4,038,417	(2,404,331)
	40,738,354	35,948,401
Cash held by investment broker pending reinvestment	197,518	949,059
Fair value at the end of the year	40,935,872	36,897,460
Historic cost at the end of the year	34,597,946	31,142,420
Investments comprise:		
	2017 £	2016 £
UK Common investment funds	40,738,354	35,948,401
Cash	197,518	949,059
	40,935,872	36,897,460

15 Debtors

	2017 £	2016 £
Trade debtors	391	155,576
Other debtors	1,701,608	50,157
	1,701,999	205,733

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

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	5,694	52,277
Taxation and social security	17,160	14,845
Grants payable	301,000	300,000
Accruals	327,217	187,170
	<u>651,071</u>	<u>554,292</u>

17 Creditors: amounts falling due after one year

	2017 £	2016 £
Grants payable within 2 to 5 years	–	300,000
	<u>–</u>	<u>300,000</u>

18 Pension scheme

	2017 £	2016 £
Pension liability		
Balance at the start of the year	866,000	925,000
Benefits paid	(78,337)	(87,851)
Interest cost	28,000	27,000
Actuarial (gain)/loss to future pension obligations	(6,663)	1,851
Balance at the end of the year	<u>809,000</u>	<u>866,000</u>
Benefits payable within one year	89,000	88,500
Benefits payable after one year	720,000	777,500
	<u>809,000</u>	<u>866,000</u>

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

	2017 % per annum	2016 % per annum
Principal actuarial assumptions at the balance sheet date		
Discount rate applied	2.5	3.4
Future pension increases	2.5	2.5
Mortality tables	S2pxA CMI_2015 1.2% pa	S1PXA CMI_2014 LTR 1.2%pa
History of experience gains and losses		
Experience gain/(loss) arising on scheme liabilities	52,000	(34,000)
Percentage of present value of scheme liabilities	6.4%	3.9%
Change in assumptions underlying the present value of scheme liabilities gain/(loss)	(44,000)	32,000
Percentage of present value of scheme liabilities	<u>5.4%</u>	<u>3.7%</u>

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

	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000
	969	895	925	866	809

19a Analysis of net assets between funds (current year)

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

19b Analysis of net assets between funds (prior year)

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

20a Movements in funds (current year)

	At 1 April 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Cass School of Art, Design and Architecture	250	–	–	–	250
Sir John Cass's Foundation – Lord Mayor Scholarship	36,166	–	(13,000)	–	23,166
Total restricted funds	36,416	–	(13,000)	–	23,416
Unrestricted funds:					
Designated funds:					
Art reserve	2,906,395	–	–	–	2,906,395
General funds	2,998,675	6,645,319	(4,983,264)	–	4,660,730
Total unrestricted funds	5,905,070	6,645,319	(4,983,264)	–	7,567,125
Endowment funds	141,676,046	4,038,417	–	–	145,714,463
Total funds	147,617,532	10,683,736	(4,996,264)	–	153,305,004

20b Movements in funds (prior year)

	At 1 April 2015 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2016 £
Restricted funds:					
London College of Fashion – Fashion and Manufacturing Unit	-	25,000	(25,000)	-	-
Cass School of Art, Design and Architecture	-	250	-	-	250
Sir John Cass's Foundation – Lord Mayor Scholarship	82,666	-	(46,500)	-	36,166
Total restricted funds	82,666	25,250	(71,500)	-	36,416
Unrestricted funds:					
Designated funds:					
Art reserve	2,408,545	497,850	-	-	2,906,395
General funds	5,253,800	5,485,057	(7,740,182)	-	2,998,675
Total unrestricted funds	7,662,345	5,982,907	(7,740,182)	-	5,905,070
Endowment funds	125,444,127	16,231,919	-	-	141,676,046
Total funds	133,189,138	22,240,076	(7,811,682)	-	147,617,532

Purposes of restricted funds

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

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

Purposes of designated funds

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

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

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	5,680,810	13,932,395
(Gains)/losses on investments	(4,038,417)	(16,231,919)
(Gains)/losses on pension valuation	6,662	
Dividends, interest and rent from investments	(3,769,116)	(2,107,562)
(Profit)/loss on the disposal of fixed assets	-	-
Decrease/(increase) in debtors	(1,496,266)	46,131
Increase/(decrease) in creditors	(260,265)	517,418
Net cash used in operating activities	(3,876,592)	(3,843,537)

22 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	1,738,236	(594,395)	–	1,143,841
Cash held as part of investments	949,059	(751,541)	–	197,518
Total cash and cash equivalents	2,687,295	(1,345,936)	–	1,341,359

23 Future commitments

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

	2017 £	2016 £
Within one year	445,823	482,430
Between one and two years	265,740	199,900
Between two and four years	207,000	200,000
	918,563	882,330

Sir John Cass's Foundation

Notes to the financial statements

For the year ended 31 March 2017

24 Related parties

Related party	Property arrangements	Nominations by Sir John Cass's Foundation to Board of related party	Fees received	Grants agreed and/or paid in the year	Benefits received in the year	Total grants and benefits received in the year
Sir John Cass's Foundation Primary School	Freehold of the School owned by the Foundation	Four members of the Governing Body		£64,279	£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		£90,986	£1,953,756	£2,044,742
Aldgate and Allhallows Foundation	Shares offices and administered by staff of the Foundation		£39,007			
City University		One Council Member, Two Court Members & Two Members to Cass Business School Advisory Board and member of Strategy and Development Board		£100,000		£100,000
Cass & Claredale Halls of Residence	Freehold owned by the Foundation				£668,304	£668,304

David Hogben and Jenny Moseley are both Trustees of The Wellington Trust. During the year the Foundation awarded a grant of £46,832 to The Wellington Trust.

Paul Bloomfield is an Ambassador of the Tutu Foundation. During the year the Foundation awarded a grant of £50,000 to the Tutu Foundation.

David Hogben is a member of University of East London's University Technical College (UTC) Board. During the year the Foundation awarded a grant of £30,000 to the UTC.

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