

SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004

SIR JOHN CASS'S FOUNDATION
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2004

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SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

- REGISTERED ADDRESS:** 31 Jewry Street
Aldgate
London EC3N 2EY
- CHARITY REG. NO:** 312425
- REGULATED BY:** A scheme made by the Secretary of State for Education and Science on 28th 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.
- PRINCIPAL OBJECTIVE:** The promotion of education of young persons in attendance at Sir John Cass's Foundation and Red Coat School, Sir John Cass's Foundation Primary School, the London Guildhall 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.
- GOVERNORS:**
- | | |
|---------------------------------|--------------------------------|
| P D MINCHIN (Treasurer) | |
| Mrs C TURNEY (Deputy Treasurer) | |
| A ADAMSON | <i>(Resigned Sept. 2003)</i> |
| Judge B BARKER | <i>(Appointed April 2003)</i> |
| P BIGNELL MA | <i>(Appointed July 2003)</i> |
| Mrs L BORTHWICK | |
| Mrs I BUCKMAN | |
| Revd C BURKE | |
| W H DOVE MBE JP CC | <i>(Resigned May 2004)</i> |
| K M EVERETT CC | |
| S GRIX | <i>(Appointed July 2004)</i> |
| Dr P B HARDWICK QHP | <i>(Appointed July 2004)</i> |
| G C H LAWSON | <i>(Resigned January 2004)</i> |
| Revd Dr B J LEE CC | |
| Ms J LOMAX | |
| T S PERYER | |
| E P T RONEY CBE CC | |
| M R STREATFEILD | |
| M VENN CBE | |
| P WADE | |

The Revd Dr B J Lee and The Revd C Burke are ex-officio governors as Rectors of St Botolph-without-Aldgate with Holy Trinity Minorities and St Dunstan and All Saints Stepney respectively. P Bignell is appointed by the PCC for the Parish of St Botolph - without - Aldgate with Holy Trinity Minorities. T S Peryer is appointed by the London Diocesan Board for Schools. Mrs L Borthwick is appointed by the Southwark Diocesan Board of Education. S Grix is appointed by the Association of London Chief Education Officers, replacing A Adamson. M Venn is appointed by the City and Guilds of London Institute. Mrs I Buckman is appointed by the Trustees of the Central Foundation Schools of London. The Corporation of the City of London appoints Dr P B Hardwick, replacing W H Dove, and E P T Roney. The other governors are all co-opted.

PRINCIPAL OFFICERS: C C Wright, Clerk to the Governors

SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

AUDITORS:

UHY Hacker Young
Chartered Accountants
St Alphage House
2 Fore Street
London EC2Y 5DH

BANKERS:

Coutts & Co
440 Strand
London WC2R 0QS

SOLICITORS:

DLA
3 Noble Street
London EC2V 7EE

PROPERTY MANAGERS:

Fletcher King Plc
Chartered Surveyors
Stratton House
Stratton Street
London W1X 5FE

INVESTMENT MANAGERS:

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

Deutsche Asset Management
One Appold Street
London EC2A 2UT

Allianz Dresdner Asset Management
10 Fenchurch Street
London EC3M 3LB

Schroder Investment Management Ltd
31 Gresham Street
London EC2V 7QA

SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

The Governors present their report along with the financial statements of the charity for the year ended 31st March 2004. The financial statements have been prepared in accordance with the accounting policies set out on pages 13 & 14 and comply with the charity's trust deed and applicable law.

Constitution and objects

The Foundation was established in 1748 by the will of Sir John Cass. It is currently constituted under a trust deed dated 28th April 1970 and is a registered charity no. 312425. The object of the charity is the promotion of education of young persons under 25 who are permanent residents of inner London, and who, in the opinion of the Governors, are in need of financial assistance.

Organisation and Management

The Governors who have served during the year and since the year-end are set out on page 3. There are two ex-officio Governors; eight Governors are appointed by nominating bodies and a further eight Governors are co-opted. Nominative Governors serve for four years and co-opted Governors five years, after which period they may be considered for re-appointment. The Governing Body meets four times per year, as do the Grant and Finance Committees that consider the bulk of the business of the Foundation.

During the year new sub committees of the Governing Body have been formed to consider inter alia matters of appointment and election of Governors and the Rules of Management of the Trust.

Five full- and three part-time staff carry out the day-to-day administration of the Foundation. These staff also administer three other charities – the Aldgate & Allhallows Barking Exhibition Foundation, Richard Reeve's Foundation and Samuel Butler's Educational Foundation – for which the Cass charity receives fee income. For this reason, and also the very small number of staff involved, the Governors do not consider it is appropriate to disclose salary bands as required by the Statement of Recommended Practice.

Grant making policy

The Foundation's main priorities, assessment criteria and application process are set out in Guidance Notes, which are available on request. Individual students, maintained schools, registered charities and other groups with charitable purposes are eligible to apply. Applicants are invited to submit a summary of their proposals in a given format. The applications are then reviewed against specific criteria. Most projects are funded on an annual basis, but exceptionally grants may be approved for up to three years. All grants are monitored on an annual basis and procedures to do so are being continuously refined. Future grants are contingent upon satisfactory progress reports and evaluations.

SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

Review of Investment Policy and Management

There are no restrictions on the charity's power to invest. The Foundation's funds have continued to be managed in accordance with Governors' policies and the provisions of the Trust Deed. The Foundation has substantial endowment and investment property holdings that are managed by Fletcher King Plc. The endowment fund represents the original bequests together with the realised and unrealised gains and losses arising from the investment assets. As detailed on page 4, the same investment managers have remained in place throughout the year. The change in valuation of investments is shown in Note 5. Nearly all have the purpose of a high yield to maintain the grant making and support costs of running the charity. Strategy is set within an overall policy that states that the endowment fund is to be invested in low and medium risk investments with the aim being to preserve the real value of the Endowment Fund. Governors have due regard of the policies of the investment managers with respect to ethical investments. During the year Governors agreed in principle to debt finance the purchase of property costing approximately £5million.

Reserves policy

Due partly to certain awards not being taken up in a number of past years and a shortage of suitable applicants in others, the Foundation accumulated a level of reserves in excess of that likely to be required to meet any contingent liabilities in respect of forward grants. In recognition of this position the Governors were pleased to agree in July 2001 a major award of £5m to the City University towards the building of the Cass Business School, which was formally opened by Her Majesty the Queen, and His Royal Highness the Duke of Edinburgh on 7th May 2003.

After making provision for the future liabilities arising from the unfunded closed final salary pension scheme, the Foundation reserves currently stand at £2.2m. This amount, together with the enhanced property income arising from recent rent reviews, will be sufficient to finance the remaining instalment of this major grant. The Governors do not expect the amount of funding available for other organisations and individuals to be affected.

Risk management

Governors have considered the risks to which the Foundation may be exposed and are satisfied that procedures have been established to review these risks regularly, and the action taken to mitigate exposure to them.

Summary of financial activities

The welcome recovery in equity markets over the past twelve months, coupled with the ongoing strength of commercial property valuations, has resulted in a material improvement in the Foundation's capital base. Additionally, the quinquennial revaluation of freehold properties currently used by beneficiaries of the Foundation disclosed a further surplus of £955,000. The overall effect of these movements has been to increase total net assets by £6.2 million to £48 million.

Grants awarded to organisations were maintained at just under £2 million. Grants to individuals increased from £199,000 to £213,000 during the year.

SIR JOHN CASS'S FOUNDATION

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

Governing Body

It is always sad to bid farewell to those who have resigned during the past twelve months and after 26 years service during which time he served as Governor, Finance Committee Chairman and Treasurer, Geoffrey Lawson retired in January 2004. He enlivened and invigorated all our meetings and it is impossible to exaggerate his contribution to the growth and development of the Foundation since 1977.

We also extend our most grateful thanks to Billy Dove who served as a City of London representative from 1999 to May this year. Finally, we are very sorry that the pressure of his duties prevented Sandy Adamson from taking up his position as appointee of the Association of London Chief Education Officers and welcome Stephen Grix in his stead.

I am confident that with a strong governing body, experienced staff and increased financial strength, the Foundation can continue to contribute towards the improvement of education in Inner London.

P D Minchin (Treasurer)
7 July 2004

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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 charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Governors are required to -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

SIR JOHN CASS'S FOUNDATION
APPENDIX TO GOVERNORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2004

GRANTS TO ORGANISATIONS

Arts Activities	Total	£53,090
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The Visual Learning Foundation	£6,000	Funds towards Visual Learning Foundation After School Art Class
South Camden Community School	£25,000	Funds towards Specialist School status in the Performing Arts
Children's Music Workshop	£15,665	Choral and Music composition workshops in Tower Hamlets Schools
Burnbake Trust	£6,425	Support for a bursary fund to distribute art materials and musical instruments to young offenders

Literacy & Numeracy	Total	£105,500
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Arsenal Football Club	£14,000	Funding for the salary of a Sports Co-ordinator to expand the number of schools using the programme to improve literacy and football skills
Quality in Study Support	£22,000	Active research into study support
Shaftsbury Homes and Arethusa	£25,000	Emergency funding for the Education Support service
London Borough of Tower Hamlets	£24,500	Literacy Project in Tower Hamlets primary schools
The English-Speaking Union	£20,000	London Debate Programme

Miscellaneous	Total	£1,360,800
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London Academy of Music and Dramatic Art	£20,000	Funding for a new building in Baron's Court, West London
Hackney Education Action Zone	£50,000	Fourth year of support for the Action Zone
School Home Support	£30,000	Funding for an area manager to support Tower Hamlets staff
Christ Church Primary School	£5,000	Continuation of funding of the school's Shine worker
Tower Hamlets Education Business Partnership	£5,800	Summer Business School
City University	£1,250,000	A capital grant towards the building costs of the new City Business School

Science & Technology	Total	£96,300
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Highbury Grove School	£25,000	Application for Business and Enterprise College status
Highbury Fields School	£25,000	Application for Specialist School status as a Science College
Soho Parish School	£3,300	Funding for a Scientist in Residence Project at the school
Central Foundation Boys' School	£15,000	Application for sponsorship for Business and Enterprise College status
Newham Training and Education Centre	£28,000	Continuation of funding for an ICT tutor

Grants to Church of England Schools	Total	£200,000
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London Diocesan Board for Schools	£65,000	Christ Church Primary School Chelsea and St Matthew's Primary School Westminster
	£35,000	St. Marylebone School Westminster
Southwark Diocesan Board for Schools	£100,000	St. Michael's School Sydenham

Grants to London Metropolitan University	Total	£86,500
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£6,000	Easter workshops for secondary school students
£64,000	Pier 18 Saturday school
£1,500	Exchange visit to France for Furniture Conservation Students
£15,000	Contribution to the cost of the Cass Chaplain

GRANTS TO CHURCH OF ENGLAND SCHOOLS, LONDON METROPOLITAN UNIVERSITY AND ORGANISATIONS	Total	£1,902,190
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GRANTS TO CASS SCHOOLS	Total	£81,634
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Sir John Cass's Foundation Primary School	£22,925
Sir John Cass's Foundation and Red Coat Church of England Secondary School	£58,709

GRANTS TO INDIVIDUALS	Total	£213,565
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TOTAL GRANTS AWARDED	Total	£2,197,389
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INDEPENDENT AUDITORS' REPORT
TO THE GOVERNORS OF SIR JOHN CASS'S FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2004

We have audited the financial statements of Sir John Cass's Foundation on pages 11 to 19 for the year ended 31 March 2004, which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's Governors, as a body, in accordance with section 44 of the Charities Act 1993. 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's governor's as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

The Governors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Governors' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Governors' Report and Audited Accounts and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2004 and of its incoming resources and application of resources in the year then ended and, except for the failure to disclose the number of employees whose emoluments for the year fell within each band of £10,000 from £50,000 upwards, have been properly prepared in accordance with the Charity's Act 1993.

7 July 2004

UHY Hacker Young
Chartered Accountants
Registered Auditors

SIR JOHN CASS'S FOUNDATION
BALANCE SHEET AS AT MARCH 2004

	<u>Notes</u>	<u>2004</u> £	<u>2004</u> £	<u>2003</u> £	<u>2003</u> £
FIXED ASSETS					
TANGIBLE ASSETS	4		6,105,000		5,150,001
INVESTMENTS	5				
Capital		39,214,823		34,675,634	
Accumulated Income		3,335,545		3,345,822	
Foundation Primary School Funds		<u>19,117</u>		<u>16,364</u>	
			42,569,485		38,037,820
CASH ON DEPOSIT					
Capital			<u>438,790</u>		<u>438,790</u>
			49,113,275		43,626,611
CURRENT ASSETS					
Debtors	6	105,491		69,112	
Cash on deposit		1,025,000		675,004	
Cash at bank and in hand		<u>10,123</u>		<u>5,344</u>	
		1,140,614		749,460	
CREDITORS					
Amounts falling due within 1 year					
Creditors for grants and sundries	7	<u>826,278</u>		<u>473,607</u>	
NET CURRENT ASSETS			<u>314,336</u>		<u>275,853</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			49,427,611		43,902,464
CREDITORS					
Amount falling due after 1 year					
Pension Liabilities	13		<u>1,408,279</u>		<u>1,420,715</u>
NET ASSETS			<u>£48,019,332</u>		<u>£42,481,749</u>
PERMANENT ENDOWMENT					
Capital Fund	2 & 14		45,758,613		40,264,424
UNRESTRICTED FUNDS					
Accumulated income	2 & 14		2,241,602		2,200,961
RESTRICTED FUNDS					
Foundation Primary School					
Alfred Lyon and Aldgate Ward Funds	2 & 14		<u>19,117</u>		<u>16,364</u>
TOTAL FUNDS			<u>£48,019,332</u>		<u>£42,481,749</u>

Approved by the Governors and signed on their behalf by

..... (Governor)

..... (Governor)

7th July 2004

SIR JOHN CASS'S FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted Funds £	Permanent Endowment £	Primary School Funds £	31 March 2004 Total £	31 March 2003 Total £
Incoming resources						
Investment income	8	1,967,035			1,967,035	1,974,416
Other income	9	<u>98,856</u>			<u>98,856</u>	<u>71,048</u>
		<u>2,065,891</u>			<u>2,065,891</u>	<u>2,045,464</u>
Cost of generating funds						
Property management		38,718			38,718	51,399
Arbitration recovery of previous years costs		<u>1,057</u>			<u>1,057</u>	<u>(45,430)</u>
		<u>39,775</u>			<u>39,775</u>	<u>5,969</u>
<i>Net incoming resources available for charitable application</i>		<u>2,026,116</u>			<u>2,026,116</u>	<u>2,039,495</u>
Charitable Expenditure						
Grants Committed	10	2,182,389			2,182,389	2,220,478
Management and administration	11	412,409			412,409	395,837
Pension provision	13	<u>101,000</u>			<u>101,000</u>	<u>116,103</u>
Total resources expended		<u>2,695,798</u>			<u>2,695,798</u>	<u>2,732,418</u>
Net resources expended		(669,682)			(669,682)	(692,923)
Gains and losses on investment assets						
Realised losses		(600)	-	-	(600)	30,457
Unrealised gains / (losses)	4&5	<u>710,923</u>	<u>5,494,189</u>	<u>2,753</u>	<u>6,207,865</u>	<u>(5,749,969)</u>
Net movement in funds		<u>40,641</u>	<u>5,494,189</u>	<u>2,753</u>	<u>5,537,583</u>	<u>(6,412,435)</u>
Funds balances brought forward as at 1 April 2003		2,200,961	40,264,424	16,364	42,481,749	48,894,184
Funds balances carried forward as at 31 March 2004	14	<u>£2,241,602</u>	<u>£45,758,613</u>	<u>£19,117</u>	<u>£48,019,332</u>	<u>£42,481,749</u>

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

1. ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below, all of which have been applied consistently throughout the year.

a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and Statement of Recommended Practice "Accounting and Reporting by Charities", except as stated in notes 1e) and note 11.

b) TANGIBLE FIXED ASSETS

The freehold properties which are used for the purposes of the Foundation or its beneficiaries were valued by the Foundation's professional advisers, on the basis of the continuance of their existing use, as at 31 March 2004 and appear in the Balance Sheet at that figure. They will be revalued every five years unless circumstances are such that Governors consider more frequent valuations to be desirable.

The Governors are of the opinion that any potential depreciation charge would be immaterial as the estimated useful life of the properties is very long and that the estimated residual value of the assets are close to the carrying amounts as the properties undergo a regular programme of maintenance.

On grounds of prudence the cost of all fittings and all computer software is written off direct to expenditure as and when incurred. Individual items of furniture and computer hardware costing in excess of £10,000 are depreciated on a straight line basis at 33% per annum. Items costing less than £10,000 are written off in the year of purchase.

c) INVESTMENTS

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

d) INVESTMENT PROPERTIES

Investment properties are stated at market value. Valuations of the Foundation's commercial portfolio as at 31 March 2004 were carried out by professional valuers and the portfolio will continue to be valued annually.

e) INALIENABLE AND HISTORIC ASSETS

The Foundation's collection of silver, artefacts and the Roubilliac statue of Sir John Cass have not been capitalised but are noted in the notes to the accounts with reference to their insured value, which is indicative of replacement cost. The Governors consider that this gives a true and fair view of their stewardship of those assets, which are neither used in the Foundation's operations nor held for income generation. To revalue the assets annually would involve costs, which would be disproportionate to the benefit to be derived by users of the accounts.

f) INCOME

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

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

g) GRANTS PAYABLE

Grants are included in the accounts in the year in which they are payable. Grants which are subject to conditions which have not been met by the recipient at the year end are not accrued as expenditure but noted as commitments.

h) MANAGEMENT AND ADMINISTRATION

Costs are applied consistently each year on an accruals basis. Liabilities incurred, not yet invoiced, are charged in the year of the commitment.

i) COST OF GENERATING FUNDS

Costs are applied consistently each year on an accruals basis. Liabilities incurred, not yet invoiced, are charged in the year of the commitment.

j) PENSION COSTS

The costs of contributions to personal pension plans of employees who joined the Foundation after 1990 are charged in the statement of financial activities in the year in which the contributions are payable. Prior to this the Foundation operated an unfunded defined benefit retirement pension scheme which ceased to accept new eligible members of staff in 1990.

Full provision has been made for the liabilities of the Foundation's unfunded pension scheme in respect of past employees. The provision of these pension liabilities has been made on the basis of actuarial advice. The adequacy of the provision is reviewed annually.

k) CASH FLOW STATEMENT

The Foundation has taken advantage of the exemption permitted by FRS 1 whereby a small entity as defined by the Companies Act 1985 need not prepare a cash flow statement.

2. FUNDS

Permanent endowment

The permanent endowment fund comprises the original capital fund, and gains thereto, 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 original endowment, realised gains and the unrealised gains on revaluation of related investment assets are credited to the capital account.

Unrestricted income fund

The income of the Foundation is expendable at the discretion of the Governors in furtherance of the objects of the Foundation. Accumulated income is represented by the accumulated income investments in fixed assets and the net current assets of the Foundation. Undistributed income, realised gains and the unrealised gains on revaluation of related investment assets are included in the accumulated income account.

Primary School funds

The Primary School funds comprise the capital of the Alfred Lyon and Aldgate Ward funds, which provide income for the benefit of Sir John Cass's Foundation School. The original capital, realised gains and the unrealised gains on revaluation of related investment assets are credited to the respective accounts.

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

3. SPECIAL FUNDS AND CONNECTED CHARITIES

- a) No separate accounts are produced for the Alfred Lyon and Aldgate Ward funds held for the benefit of the Foundation Primary School because the income from these funds is mandated direct to the Primary School.
- b) The staff of Sir John Cass's Foundation also undertakes the administrative work for Aldgate and Allhallows Barking Exhibition Foundation, Samuel Butler's Educational Foundation and Richard Reeve's Foundation. A management fee is payable in respect of the work involved, (see note 9). The charities have a few Trustees in common, but are not otherwise connected and are run as separate entities. Separate accounts are produced.

4. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Motor Vehicle</u> £	<u>Total</u> £
Cost or valuation as at 1 April 2003	5,150,000	10,895	5,160,895
Accumulated depreciation at 1 April 2003	-	(10,894)	(10,894)
Disposal	-	(1)	(1)
Revaluations	955,000	-	955,000
Net book value as at 31 March 2003	<u>£6,105,000</u>	<u>£ -</u>	<u>£6,105,000</u>

Note: the surplus on the disposal of the motor vehicle of £4,799 has been treated as sundry income.

The following freehold properties are currently used by beneficiaries of the Foundation:

	<u>Valuations</u> £
Sir John Cass's Hall, Well St, E9	80,000
Sir John Cass's Foundation and Red Coat School, Stepney Way, E1	2,350,000
Sir John Cass's Foundation Primary School, Dukes Place, Aldgate, EC3	1,425,000
London Metropolitan University, 31 Jewry St., EC3	<u>2,250,000</u>
	<u>£6,105,000</u>
Historical cost at 31 March 2004	<u>£ 135,933</u>

The properties were valued as at 31 March 2004 on an open market existing use basis by Fletcher King Plc, Chartered Surveyors.

The Foundation also has a substantial collection of works of art and silver including the painted panels in the Primary School Boardroom and the Roubilliac statue of Sir John Cass. (The statue is on permanent loan to the Corporation of London and is on display at the Guildhall). These are regarded as inalienable and are not included in the balance sheet. For insurance purposes these items are valued at £1,945,345. With regard to the painted panels the Foundation has an outstanding insurance claim arising from extensive water damage resulting from a malfunction of the air-conditioning system in August 2000.

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

5. INVESTMENTS

	Market Value 31 March 2003 £	Additions/ Disposals £	Revaluations £	Market Value 31 March 2004 £
CAPITAL				
CBF - income shares	12,225,552	-	2,057,206	14,282,758
CBF - accumulation shares	266,011	-	57,178	323,189
Allianz Dresdner Managed – accum units	1,365,571	-	214,805	1,580,376
Property investments	<u>20,818,500</u>	-	<u>2,210,000</u>	<u>23,028,500</u>
	<u>34,675,634</u>		<u>4,539,189</u>	<u>39,214,823</u>
ACCUMULATED INCOME				
Schroder Charity Equity Fund – inc. units	1,489,602	-	421,236	1,910,838
Deutsche Unit Trusts - accumulation units	305,586	-	101,319	406,905
CAF Balanced Growth Fund	829,434	-	188,368	1,017,802
Chariguard Fixed Interest	<u>721,200</u>	<u>(720,600)</u>	<u>(600)</u>	-
	<u>3,345,822</u>	<u>(720,600)</u>	<u>710,323</u>	<u>3,335,545</u>
FOUNDATION PRIMARY SCHOOL FUNDS				
CBF - income shares	<u>16,364</u>	-	<u>2,753</u>	<u>19,117</u>
TOTAL INVESTMENTS	<u>£38,037,820</u>	<u>£(720,600)</u>	<u>£ 5,252,265</u>	<u>£42,569,485</u>
Historical cost	<u>£17,104,434</u>	<u>£(711,000)</u>	<u>£-</u>	<u>£16,393,434</u>

6. DEBTORS

	<u>2004</u> £	<u>2003</u> £
Other debtors	14,862	56,411
Prepayments and accrued income	<u>90,629</u>	<u>12,701</u>
	<u>£105,491</u>	<u>£69,112</u>

7. CREDITORS FOR GRANTS AND SUNDRIES

	<u>2004</u> £	<u>2003</u> £
Individuals	15,000	14,000
Organisations, Church of England Schools and London Metropolitan University	398,000	249,212
	<u>413,000</u>	<u>263,212</u>
Trade and other creditors	44,154	35,135
Accruals and deferred income	<u>369,124</u>	<u>175,260</u>
	<u>£826,278</u>	<u>£473,607</u>

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

Commitments in respect of grants approved for projects which will accrue in future years:

	<u>2004</u>	<u>2003</u>
	£	£
Within one year	1,670,501	1,513,165
Between one and two years	70,000	1,329,325
Between two and five years	<u>9,300</u>	<u>29,700</u>
	<u>£1,749,801</u>	<u>£2,872,190</u>

8. INVESTMENT INCOME

	<u>2004</u>	<u>2003</u>
	£	£
Dividends	640,583	682,999
Fixed interest	9,680	70,622
Gross rents	1,268,152	1,183,413
Interest on deposits	<u>48,620</u>	<u>37,382</u>
	<u>£1,967,035</u>	<u>£1,974,416</u>

9. OTHER INCOME

	<u>2004</u>	<u>2003</u>
	£	£
Administration fees	94,057	71,048
Surplus on disposal of vehicle	<u>4,799</u>	<u>-</u>
	<u>£98,856</u>	<u>£71,048</u>

10. GRANTS TO ORGANISATIONS AND INDIVIDUALS

Grants to Church of England Schools, London Metropolitan University and organisations amounted to £1,902,190 as set out in the annual report on pages 8 to 9. The net amount of £1,890,190 is after allowance for £12,000 in respect of grants made in previous years subsequently cancelled or not taken up.

Grants to individuals totalled £213,565 of which 73 individuals received £1,000 or more, totalling £207,935. The net amount of £210,565 is after allowance for £3,000 in respect of grants cancelled from the previous year.

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

11. MANAGEMENT AND ADMINISTRATION EXPENSES	<u>2004</u>	<u>2003</u>
	£	£
Management	11,842	43,689
Administration	393,116	344,833
Auditors' remuneration	5,405	4,994
Governors' expenses	<u>2,046</u>	<u>2,321</u>
	<u>£412,409</u>	<u>£395,837</u>

No remuneration was paid to the Governors

Six Governors received expenses relating to travel and subsistence totalling £2,046 (2003: £2,321).

Included in Administration is a cost of £2,069 for 15 months as Professional Liability insurance, covering the Foundation, its Governors and employees.

As recorded in note 3 b) and note 9, the staff perform an administrative function for other charities for which the income is shown as 'other income'.

No disclosure has been made of staff salary bands as, in the opinion of the Governors, this would not be appropriate in view of the small number of staff employed.

12. STAFF PAYMENTS

An average of 6 staff were employed by the Foundation during the year (2003 - 6 staff) and costs were:

	<u>2004</u>	<u>2003</u>
	£	£
Remuneration (including benefits in kind)	260,296	241,104
Social security costs	28,542	23,644
Pension costs	<u>40,352</u>	<u>29,854</u>
	<u>£329,190</u>	<u>£294,602</u>

Pension costs above represent contributions made by the Foundation to personal pension plans for staff.

13. PENSION LIABILITIES

The charge for unfunded pension obligations comprises:

	<u>2004</u>	<u>2003</u>
	£	£
Pension payments	110,676	123,262
Release from provision for pension obligations	(110,676)	(126,159)
Provision made for future pension obligations	<u>101,000</u>	<u>119,000</u>
	<u>£101,000</u>	<u>£116,103</u>

Movement on pension provision

Balances at 31 March 2003:		
Creditors falling due within one year		110,676
Creditors falling due after one year		<u>1,420,715</u>
		1,531,391
Pension payments		(110,676)
Provision made in the year		<u>101,000</u>
Creditors falling due within one year	113,436	
Creditors falling due after one year	<u>1,408,279</u>	
Balances at 31 March 2004:		<u>£1,521,715</u>

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2004

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds Accumulated Income and Pension Fund £	Permanent Endowment Capital Fund £	Restricted Funds Primary School Funds £	Total Funds £
Fund Balances at 31 March 2004 are represented by				
Tangible fixed assets	-	6,105,000	-	6,105,000
Investments	3,335,545	39,214,823	19,117	42,569,485
Cash on deposit	-	438,790	-	438,790
Current assets	1,140,614	-	-	1,140,614
Current liabilities	(826,278)	-	-	(826,278)
Long term liabilities	<u>(1,408,279)</u>	<u>-</u>	<u>-</u>	<u>(1,408,279)</u>
Total Net Assets	<u>£2,241,602</u>	<u>£45,758,613</u>	<u>£19,117</u>	<u>£48,019,332</u>
Unrealised gains included above				
On tangible fixed assets	-	5,969,067	-	5,969,067
On investment assets	<u>(1,262,792)</u>	<u>27,421,445</u>	<u>17,398</u>	<u>26,176,051</u>
Total unrealised gains/losses at 31 March 2004	<u>£(1,262,792)</u>	<u>£33,390,512</u>	<u>£17,398</u>	<u>£32,145,118</u>
Reconciliation of movement in unrealised gains on investment assets				
Unrealised gains/(losses) at 31 March 2003	(1,963,515)	22,882,256	14,645	20,933,386
Gains realised	(10,200)	-	-	(10,200)
Net gains/(losses) arising on revaluations in year	<u>710,923</u>	<u>4,539,189</u>	<u>2,753</u>	<u>5,252,865</u>
Unrealised gains/(losses) at 31 March 2004	<u>£(1,262,792)</u>	<u>£27,421,445</u>	<u>£17,398</u>	<u>£26,176,051</u>

