

SIR JOHN CASS'S FOUNDATION



ANNUAL REPORT 2005

SIR JOHN CASS'S FOUNDATION

ANNUAL REPORT 2005

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SIR JOHN CASS'S FOUNDATION

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STATUTORY INFORMATION AT 19 OCTOBER 2005

REGISTERED ADDRESS

31 Jewry Street
Aldgate
London EC3N 2EY

CHARITY REGISTRATION NUMBER

312425

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 Metropolitan University or resident in the City of London, the Royal Borough of Kensington and Chelsea, and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and the City of Westminster.

GOVERNORS

HH Judge Brian BARKER QC (Treasurer)
Philip BIGNELL (Deputy Treasurer)
Manuel ALVARADO
Irene BUCKMAN
Revd Christopher BURKE
Ian COMFORT
Andrew DUGUID
Kevin EVERETT OStJ CC
Dr Peter HARDWICK QHP CC
Revd Richard JENKINS
Barbara LANE
Revd Dr Brian LEE CC
Anthony MULLEE
Tom PERYER
Patrick RONEY CBE CC
Mervyn STREATFEILD
David TURNER
Maurice VENN CBE

Details of Governors who served during the year are in the Secretary's Report on page 12.

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PRINCIPAL OFFICERS:

Colin Wright, Clerk to the Governors
Ceryse Fear, Secretary to the Governors
Richard Foley, Grants Manager
Siobhan Hill, Monitoring & Evaluation Officer
Gerald Coleman, Accountant

AUDITORS:

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

BANKERS:

Coutts & Co
440 Strand
London WC2R 0QS

SOLICITORS:

Bircham Dyson Bell
50 Broadway
London SW1H 0BL

Devonshires
Salisbury House, London Wall
London EC2M 5QY

PROPERTY MANAGERS:

Fletcher King Plc
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

GAM London Ltd
12 St James's Place
London SW1A 1NX

Schroder Investment Management Ltd
31 Gresham Street
London EC2V 7QA

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TREASURER'S REPORT

This had been a year of change and I am pleased to record that the Governors and staff have risen to the challenge, and the Foundation continues to expand its vital work wherever possible.

Our substantial grants programme has increased by 6%, bringing benefits to a great range of individuals and organisations, as well as to the two schools bearing our Founder's name. I am delighted to report that both schools continue on their upward path of excellence. A review of the year with details of grants made is set out in the Clerk's Report on pages 6 to 11.

I wish to pay tribute to my predecessor Peter Minchin who retired prematurely with ill health in January and we wish him a full and speedy recovery. Under his leadership the Foundation undertook a review of its governance and procedures in the light of 21st century requirements which necessarily incurred significant professional costs; it is not envisaged that this level of costs is likely to recur.

This is a task that has continued. We have made a start on a programme of modernisation; ensuring not only that the values of our founder Sir John Cass prevail but also that they are administered by a focused, friendly and efficient organisation that is able to deal with the many new requirements in the Charitable sector. We have used a Governor Skills Audit to pinpoint our requirements and have been able to recruit excellent new governors through open competition. I am convinced that they will complement and add to the existing talents and skills of our Governing Body.

I am confident that we are now well placed to face the challenges of the future. I wish to record my thanks to my fellow Governors who have served with dedication during the year, and to record our good wishes for the future to those who have stood down from our Governing Body. I also wish to thank the staff of the Foundation for their hard work and enthusiasm, and their willingness to embrace change in what is an increasingly complex environment.

Brian Barker
Treasurer of the Governing Body
19 October 2005

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CLERK'S REPORT

Sir John Cass's Foundation is one of London's largest and oldest educational charities. Founded in 1748, the Foundation provides major buildings rent-free for the principal beneficiaries of the charity and makes grants to both individuals and organisations from its substantial endowment.

Objectives and Activities

The Foundation is primarily a grant-giving body. The Charity Commission Scheme enables Governors to give grants to individuals and organisations (including schools), as well as providing support to the Foundation's two Schools.

The Foundation's key criteria, that govern all awards, are that beneficiaries must be:

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

The Foundation distributes in the region of £1.1 million annually in grants. Since 1998, the Foundation has been a major sponsor of inner London secondary schools seeking to become Specialist Schools. During this period, the Foundation has sponsored 30 schools across twelve London boroughs with grants totalling £800,000, which has unlocked several million pounds of additional government support.

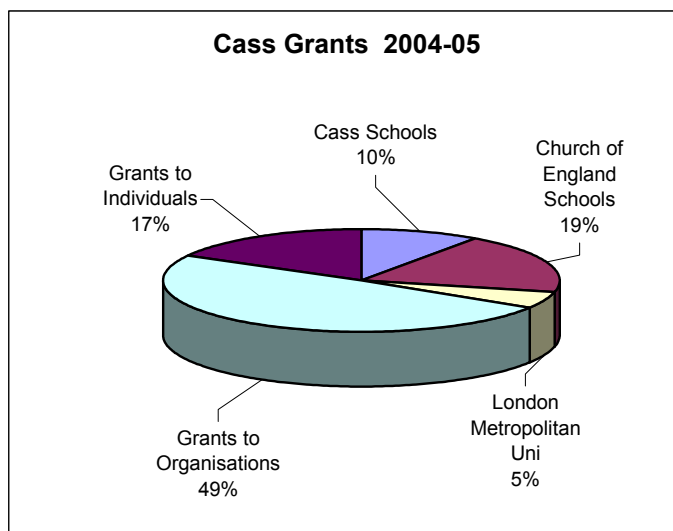
There is no such thing as a "typical project". However, examples of projects funded recently include:

- £30,000 to the East London Business Alliance towards a mentoring project in Hackney Schools,
- £18,000 over three years to City University towards their Pathways to the Health Professions Summer Schools,
- £25,000 to Phoenix School in Shepherds Bush as match funding towards their bid for Specialist School Status in Science and Maths,
- £13,524 over three years to the Prisoner Education Trust towards a mentoring project helping ex-prisoners to continue their education after release from prison.

Most grants made by Governors are for projects spanning one year or less, though funding of up to three years is available. The majority of grants are between £5,000 and £30,000. The 'average' grant to schools and organisations over the last two years was £24,862. The following table shows the breakdown of the 2004/5 grants into the principal areas of activity.

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The Foundation is one of the few charities that will consider applications from individuals who are in need of financial support to continue their studies. The charity receives approximately 600 written enquiries from individuals each year. Regrettably, the majority fail to meet the Foundation's basic criteria for support on the basis of their age, where they live or the course being studied.

At any point in time the Foundation is supporting between 80 and 90 students in full time education from A Levels through to postgraduate study. The Foundation also supports a range of bursaries and scholarships at educational establishments including the Building Crafts College, City University, Guildhall School of Music & Drama, Imperial College, Queen Mary College, RADA and the Royal College of Art. These grants range from £1,000 to £10,000 and the Foundation works closely with staff at these institutions to award the grants each year. Priority for scholarships and bursaries is given to students from inner London.

A full review of the Foundation's scholarships and bursaries will be carried out over the coming year in response to the new funding arrangements for undergraduate students (top-up fees etc.) that will come into operation in September 2006.

In addition to the annual grants programme, over the past four years the Foundation has paid £1.25 million each year to City University. This £5 million grant, from reserves, was in support of the construction costs of the new Cass Business School.

Achievements and Performance

In common with all grant making organisations, the Foundation endeavours to measure how effective or successful it is in meeting its aims and objectives. This is achieved through careful monitoring and evaluation of approved grants, but this is often not straightforward as there are many factors that influence the outcome of funded activities. We seek to work in partnership with the schools and organisations in receipt of funds so that we may both learn from the activities that the charity has agreed to support. We rely on the views, comments and judgements of our partners to ascertain whether or not particular initiatives are effective.

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Plans for Future Periods

The Foundation currently supports a broad range of educational activity. Governors are in the process of reviewing their grants priorities. The outcome of this review will form the basis of the Foundation's business plan and the targets that will be incorporated into next year's annual report. The new strategy and priorities will be in place by the start of the 2006/07 financial year.

Financial Review

There are no restrictions on the charity's power to invest. The Foundation's funds continue to be managed in accordance with Governors' investment policies and the provisions of the Charity Commission Scheme. The Foundation has significant 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. Investment 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. The Foundation will review investment strategy during 2005/6.

The Foundation has accumulated 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 agreed a major award of £5m to the City University towards the building of the Cass Business School in July 2001. After making provision for the future liabilities arising from the unfunded closed final salary pension scheme, the reserves at 31 March 2005 stand at £1.6 million. The Governors have made commitments for grant payments in future years amounting to £1.1 million and these are subject to performance review.

During 2004/5, the Foundation carried out a major review of its internal operations and governance, this has caused an increase in administrative costs, the majority of which were one-off in nature and Governors do not anticipate these to recur. This included a review of the Foundation's legal advisors as a result of which Governors decided to appoint two firms of lawyers – for advising on education and charity matters and property matters respectively. This review ended the Foundation's association with Dibb Lupton Alsop; Governors have appreciated DLA's sound advice over the years.

BY ORDER OF THE GOVERNING BODY

Colin Wright
Clerk to the Governors
19 October 2005

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GRANTS TO ORGANISATIONS

Arts Activities

**Total
£115,117**

The Visual Learning Foundation	£4,000	Funds towards Visual Learning Foundation After School Art Class
Norwood School	£25,000	Specialist School status in Visual and Performing Arts
Burnbake Trust	£6,425	Support for a bursary fund to distribute art materials and musical instruments to young offenders
Sedgehill School	£25,000	Application for Specialist School Status
Islington Arts and Media School	£25,000	Application for specialist school status as a performing arts and media college
LSO Discovery Project	£29,692	Hackney Classroom Project

Literacy & Numeracy

**Total
£49,400**

The Dyslexia Institute	£29,400	Dyslexia Projects at Charles Lamb School in Islington and Royal Docks School in Newham
The English-Speaking Union	£20,000	London Debate Programme (Year 2)

Miscellaneous

**Total
£1,524,600**

Billingsgate Seafood Training School	£20,000	Fish and Food Hygiene Course
Teach First	£15,300	Contribution towards the maintenance costs of 34 students during their teacher training course in Summer 2003
The Place to Be	£12,000	The Place to Be in Southwark Primary Schools
Tower Hamlets Education Business Partnership	£7,300	Summer Schools at the Cass Business School
City University	£6,000	Pathways to the Health Professions Summer Schools 2004-06

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GRANTS TO ORGANISATIONS

City University	£1,250,000	A capital grant towards the building costs of the new Cass Business School at City University
Prisoners' Education	£8,000	Bursary Scheme to assist young offenders in obtaining qualifications whilst in detention
East London Business Alliance	£30,000	Hackney Schools' Mentoring Programme
Young Enterprise	£40,000	3-year funding towards a co-ordinator for the London Primary School Programme
Inspire Formerly New Hackney EBP	£30,000	Funding for the New Hackney EBP
Hackney Education Action Zone	£50,000	Fourth year of support for the Action Zone
Quality in Study Support	£11,000	Active Research in to Study Support
School Home Support	£20,000	Funding for an area manager to support Tower Hamlets staff
Waverly School	£25,000	Specialist School Status – Sports College

Science & Technology	Total £84,600
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La Retraite Catholic Girls' School	£25,000	Specialist School Status in Science and Mathematics
Royal Academy of Engineering	£9,600	Widening Participation: Engineering Education Scheme in Inner London Secondary Schools
The Charter School	£25,000	Specialist School Status in Business and Enterprise
Phoenix High School	£25,000	Specialist School Status in Science and Mathematics

Grants to Church of England Schools	Total £200,000
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London Diocesan Board for Schools	£100,000	Capital Grant: for St Marylebone Secondary School and St. George the Martyr
Southwark Diocesan Board for Education	£100,000	Capital Grant: for St Michaels Sydenham

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GRANTS TO ORGANISATIONS

Grants to London Metropolitan University	Total £58,000
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£32,000 Pier 18 Saturday School

£26,000 Summer Arts programme

GRANTS TO CHURCH OF ENGLAND SCHOOLS, LONDON METROPOLITAN UNIVERSITY AND ORGANISATIONS	Total £2,031,717
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GRANTS TO CASS SCHOOLS	Total £104,580
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GRANTS TO INDIVIDUALS	Total £179,360
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TOTAL GRANTS AWARDED	Total £2,315,657
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SECRETARY'S REPORT

Nature of governing document and how the charity is constituted

The Sir John Cass's Foundation was established in 1748 by the will of Sir John Cass. The Foundation is regulated by a scheme made by the Secretary of State for Education and Science on 28 April 1970 under Section 18 of the Charities Act 1960, as amended by the schemes made by the Charity Commissioners on 22 October 1979, 20 March 1992 and 15 June 1993.

Membership of the Governing Body

There are eighteen members of the Governing Body; two are ex-officio, eight are nominated and eight are co-opted. The Scheme determines nominating bodies and terms of office. Governors are eligible for re-appointment.

Governors who served during the year ended 31 March 2005 are as follows

Ex-Officio Governors: Revd Brian Lee, Rector of St Botolph-without-Aldgate with Holy Trinity Minorities and Revd Christopher Burke, Rector of St Dunstan and All Saints Stepney.

Nominated Governors (and their nominating bodies): Philip Bignell, nominated by the Parochial Church Council for the Parish of St Botolph- without - Aldgate with Holy Trinity Minorities; Irene Buckman nominated by the Central Foundation Schools of London Trust; Ian Comfort nominated by the Association of London Chief Education Officers (ALCEO) (appointed in succession to Stephen Grix who served from July 2004 to January 2005; between April and July 2004 the position lay vacant whilst ALCEO considered their nomination); Patrick Roney and Peter Hardwick nominated by the Corporation of the City of London (Peter Hardwick appointed in succession to Billy Dove who resigned in May 2004); Barbara Lane nominated by the Southwark Diocesan Board of Education (appointed in October 2004, succeeding Linda Borthwick who retired in August 2004); Tom Peryer nominated by the London Diocesan Board for Schools; and Maurice Venn nominated by the City and Guilds of London Institute.

Co-opted Governors: Judge Brian Barker, Kevin Everett and Mervyn Streatfeild continue to serve. Peter Minchin (Treasurer) and Carolyn Turney (Deputy Treasurer) resigned in January 2005, as did Paul Wade in April 2005 and Jenni Lomax did not seek re-appointment at the end of her term of office in May 2005. There was one vacancy during the year.

Governor Interests

A Register of Governors' Interests is maintained by the Foundation and is reviewed annually. No Governor had an interest in any contract which required to be declared; and was not interested in any beneficiary other than by virtue of serving on the beneficiary's Governing Body, such interest being declared at the time of

consideration of the award of the grant. All Governors sign a Declaration of Eligibility in accordance with Section 72 of the Charities Act 1993.

Methods of recruiting and appointing new Governors

There is a formal and transparent competitive process for the appointment of new Co-opted Governors. Vacancies are nationally advertised and a committee of the Governing Body shortlist and interview applicants who have submitted written applications. The recruitment process is supported by formal role descriptions and person specifications and applicants submit monitoring information about age group, gender, ethnic origin and disability, separately from the application form.

Induction, Training and Development

Newly appointed Governors are invited to attend Governor Induction training on the role of trustees and the Foundation.

All members of the Governing Body are encouraged to participate in the annual training programme.

Organisational structure and how decisions are made by trustees

The Foundation's Rules of Management determine the appointment of the Treasurer and Deputy Treasurer, the nature, frequency and operation of Governing Body and Committee Meetings,

Governance

The Governing Body meets four times a year and has two formally constituted committees, namely the Finance Committee and the Grants Committee that report to the Governing Body. In addition, the Governing Body appoints ad-hoc committees to examine specific assignments and areas of activity and bring forward recommendations to the Governing Body. Officers are not members of Committees and do not participate in the decision making process.

Remuneration

Governors receive no monetary or cash equivalent reward for their services. Out-of-pocket expenses are reimbursed which amounted to £2,448 during the financial year ended 31 March 2005.

Relationships with other charitable, public and private sector organisations

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

The Foundation positively engages in partnership initiatives with both the private and public sectors and other charitable organisations. Governors frequently participate in monitoring visits to beneficiary organisations and they also attend functions such as award ceremonies, in response to invitations from organisations.

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Risk Management

Governors have considered the risks to which the Foundation may be exposed and are satisfied with the procedures that have been established to identify, assess and manage risk.

BY ORDER OF THE GOVERNING BODY

Ceryse Fear

Secretary to the Governors

19 October 2005

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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.

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INDEPENDENT AUDITORS REPORT TO THE GOVERNORS

We have audited the financial statements of Sir John Cass's Foundation on pages 18 to 29 for the year ended 31 March 2005, 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 Annual Report 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.

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INDEPENDENT AUDITORS REPORT TO THE GOVERNORS

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 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charity's Act 1993.

UHY Hacker Young
Chartered Accountants
Registered Auditors
19 October 2005

SIR JOHN CASS'S FOUNDATION
BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	2005 £	2004 £	2004 £
FIXED ASSETS					
TANGIBLE ASSETS	4		6,105,000		6,105,000
INVESTMENTS	5				
Capital		44,452,812		39,653,613	
Accumulated Income		3,736,033		3,335,545	
Foundation Primary School Funds		<u>21,020</u>		<u>19,117</u>	
			48,209,865		43,008,275
CURRENT ASSETS					
Debtors	6	9,755		105,491	
Cash on deposit		85,000		1,025,000	
Cash at bank and in hand		<u>(43,158)</u>		<u>10,123</u>	
		51,597		1,140,614	
CREDITORS					
Amounts falling due within 1 year					
Creditors for grants and sundries	7	<u>820,214</u>		<u>826,278</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>(768,617)</u>		<u>314,336</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			53,546,248		49,427,611
CREDITORS					
Amount falling due after 1 year					
Pension liabilities	14		<u>1,343,695</u>		<u>1,408,279</u>
NET ASSETS			<u>£52,202,553</u>		<u>£48,019,332</u>
PERMANENT ENDOWMENT					
Capital Fund	2 & 15		50,557,812		45,758,613
UNRESTRICTED FUNDS					
Accumulated income	2 & 15		1,623,721		2,241,602
RESTRICTED FUNDS					
Foundation Primary School Alfred Lyon and Aldgate Ward Funds	2 & 15		<u>21,020</u>		<u>19,117</u>
TOTAL FUNDS			<u>£52,202,553</u>		<u>£48,019,332</u>

Approved by the Governors and signed on their behalf by

..... (Governor)

..... (Governor) 19 October 2005

SIR JOHN CASS'S FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

	Notes	Unrestricted Funds	Permanent Endowment	Primary School Funds	31 March 2005 Total	31 March 2004 Total
		£	£	£	£	£
Incoming resources						
Investment income	8	1,985,591	–	–	1,985,591	1,967,035
Other income	9	<u>94,162</u>	–	–	<u>94,162</u>	<u>98,856</u>
		<u>2,079,753</u>	–	–	<u>2,079,753</u>	<u>2,065,891</u>
Cost of generating funds						
Property management		<u>102,954</u>	–	–	<u>102,954</u>	<u>39,775</u>
Net incoming resources available for charitable application		<u>1,976,799</u>			<u>1,976,799</u>	<u>2,026,116</u>
Charitable Expenditure						
Grants committed	10	2,315,657	–	–	2,315,657	2,182,389
Property maintenance	11	30,696	–	–	30,696	–
Management and administration	12	596,815	–	–	596,815	412,409
Pension provision	14	<u>52,000</u>	–	–	<u>52,000</u>	101,000
Total resources expended		<u>2,995,168</u>	–	–	<u>2,995,168</u>	<u>2,695,798</u>
Net resources expended		(1,018,369)	–	–	(1,018,369)	(669,682)

SIR JOHN CASS'S FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

	Notes	Unrestricted Funds	Permanent Endowment	Primary School Funds	31 March 2005 Total	31 March 2004 Total
		£	£	£	£	£
Brought forward						
Net resources expended		(1,018,369)			(1,018,369)	(669,682)
<i>Gains and losses on investment assets</i>						
Realised losses		-	(9,098)	-	(9,098)	(600)
Unrealised gains	5	<u>400,488</u>	<u>4,808,297</u>	<u>1,903</u>	<u>5,210,688</u>	<u>6,207,865</u>
Net movement in funds		(617,881)	4,799,199	1,903	4,183,221	5,537,583
Funds balances brought forward as at 1 April 2004		<u>£2,241,602</u>	<u>£45,758,613</u>	<u>£19,117</u>	<u>£48,019,332</u>	<u>£42,481,749</u>
Funds balances carried forward as at 31 March 2005	15	<u>£1,623,721</u>	<u>£50,557,812</u>	<u>£21,020</u>	<u>£52,202,553</u>	<u>£48,019,332</u>

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2005

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".

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 2005 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

<p style="text-align: center;">SIR JOHN CASS'S FOUNDATION</p> <p style="text-align: center;">NOTES TO THE ACCOUNTS - 31 MARCH 2005</p>
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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.

g) GRANTS PAYABLE

Grants are included in the accounts in the year in which they are commitments. 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 future 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.

In 2004 accommodation costs of £25,197 were incurred at the Primary School which will be recovered under a licence over six years. The income will be credited to income annually.

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.

<p style="text-align: center;">SIR JOHN CASS'S FOUNDATION</p> <p style="text-align: center;">NOTES TO THE ACCOUNTS - 31 MARCH 2005</p>
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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.

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 undertake 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.

<p>SIR JOHN CASS'S FOUNDATION</p> <p>NOTES TO THE ACCOUNTS - 31 MARCH 2005</p>
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4. TANGIBLE FIXED ASSETS

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, which 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 were re-valued in January 2005 at £2,367,245. Of this sum £2,150,000 was for the statue, panels and archived documents. The insurance claim arising from the malfunction of the air-conditioning system in the Primary School Boardroom is nearing completion but pending the redecoration of the room and the rehousing of the restored painted panels.

SIR JOHN CASS'S FOUNDATION
NOTES TO THE ACCOUNTS - 31 MARCH 2005

5. INVESTMENTS

	<u>Market Value</u> 31 March <u>2004</u> £	<u>Additions/</u> <u>Disposals</u> £	<u>Re-</u> <u>valuations</u> £	<u>Market Value</u> 31 March <u>2005</u> £
CAPITAL				
CBF - Income shares	14,282,758	-	1,421,975	15,704,733
CBF - Accumulation shares	323,189	-	45,553	368,742
Allianz Dresdner Managed Accumulation units	1,580,376	(1,580,376)	-	-
GAM	-	1,571,278	112,269	1,683,547
Property investments	23,028,500	-	3,228,500	26,257,000
Cash	438,790	-	-	438,790
	<u>39,653,613</u>	<u>(9,098)</u>	<u>4,808,297</u>	<u>44,452,812</u>
ACCUMULATED INCOME				
Schroder Charity Equity Fund Income units	1,910,838	-	238,918	2,149,756
Deutsche Unit Trusts - Accumulation units	406,905	-	38,666	445,571
CAF UK Equity Growth Fund	<u>1,017,802</u>	<u>-</u>	<u>122,904</u>	<u>1,140,706</u>
	<u>3,335,545</u>	<u>-</u>	<u>400,488</u>	<u>3,736,033</u>
FOUNDATION PRIMARY SCHOOL FUNDS				
CBF - income shares	<u>19,117</u>	<u>-</u>	<u>1,903</u>	<u>21,020</u>
TOTAL INVESTMENTS	<u>£43,008,275</u>	<u>£(9,098)</u>	<u>£ 5,210,688</u>	<u>£48,209,865</u>
Historical cost	<u>£16,832,224</u>			<u>£16,307,179</u>

NOTE: The accumulated income investments will be used to fund the pension liabilities, see note 14.

6. DEBTORS

	<u>2005</u> £	<u>2004</u> £
Other debtors	604	14,862
Prepayments and accrued income	<u>9,151</u>	<u>90,629</u>
	<u>£9,755</u>	<u>£105,491</u>

SIR JOHN CASS'S FOUNDATION NOTES TO THE ACCOUNTS - 31 MARCH 2005

7. CREDITORS FOR GRANTS AND SUNDRIES	<u>2005</u> £	<u>2004</u> £
Individuals	13,000	15,000
Organisations, Church of England Schools and London Metropolitan University	<u>443,732</u>	<u>398,000</u>
	456,732	413,000
Trade and other creditors	107,006	44,154
Accruals and deferred income	<u>256,476</u>	<u>369,124</u>
	<u>£820,214</u>	<u>£826,278</u>

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

	<u>2005</u> £	<u>2004</u> £
Within one year	692,606	1,670,501
Between one and two years	283,490	70,000
Between two and five years	<u>212,840</u>	<u>9,300</u>
	<u>£1,188,936</u>	<u>£1,749,801</u>

8. INVESTMENT INCOME	<u>2005</u> £	<u>2004</u> £
Dividends	636,252	640,583
Fixed interest	-	9,680
Gross rents	1,313,927	1,268,152
Interest on deposits	<u>35,412</u>	<u>48,620</u>
	<u>£1,985,591</u>	<u>£1,967,035</u>

9. OTHER INCOME	<u>2005</u> £	<u>2004</u> £
Administration fees	94,157	94,057
Donation	5	-
Surplus on disposal of vehicle	<u>-</u>	<u>4,799</u>
	<u>£94,162</u>	<u>£98,856</u>

SIR JOHN CASS'S FOUNDATION NOTES TO THE ACCOUNTS - 31 MARCH 2005

10. GRANTS TO ORGANISATIONS AND INDIVIDUALS

Grants to Church of England Schools, London Metropolitan University and organisations amounted to £2,031,717 as set out in the annual report on page 11. This included £39,230 to the Sir John Cass's Foundation Primary School, and £ 65,350 to Sir John Cass's Foundation Redcoat CE Secondary School.

78 individuals received grants between £350 and £10,000, totalling £181,860. The net amount of £179,360 is after allowance for £2,500 in respect of a grant cancelled from an earlier year.

11. PROPERTY MAINTENANCE

Refurbishments at the 31 Jewry Street premises were £21,787 on the Boardroom and £8,909 on the offices.

12. MANAGEMENT AND ADMINISTRATION EXPENSES	<u>2005</u>	<u>2004</u>
	£	£
Administration	580,091	393,116
Governance	8,401	11,842
Auditors' remuneration	5,875	5,405
Governors' expenses	<u>2,448</u>	<u>2,046</u>
	<u>£596,815</u>	<u>£412,409</u>

No remuneration was paid to the Governors.

Ten Governors received expenses relating to travel and subsistence totalling £2,448 (2004: £2,046).

There is a Professional Liability insurance policy in place that covers the Foundation, its Governors and employees.

13. STAFF PAYMENTS

An average of 7 staff were employed by the Foundation during the year (2004 - 6 staff) and costs were:

	<u>2005</u>	<u>2004</u>
	£	£
Remuneration (including benefits in kind)	326,771	260,296
Social security costs	36,144	28,542
Pension costs	<u>43,678</u>	<u>40,352</u>
	<u>£406,593</u>	<u>£329,190</u>

SIR JOHN CASS'S FOUNDATION NOTES TO THE ACCOUNTS - 31 MARCH 2005

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

One employee received remuneration over £50,000; between £70,000 - £80,000.

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'

14. PENSION LIABILITIES

The charge for unfunded pension obligations comprises:

	<u>2005</u>	<u>2004</u>
	£	£
Pension payments	113,436	110,676
Release from provision for pension obligations	(113,436)	(110,676)
Provision made for future pension obligations	<u>52,000</u>	<u>101,000</u>
	<u>£52,000</u>	<u>£101,000</u>
Movement on pension provision		
Balances at 31 March 2004:		
Creditors falling due within one year		113,436
Creditors falling due after one year		<u>1,408,279</u>
		1,521,715
Pension payments		(113,436)
Provision made in the year		<u>52,000</u>
Creditors falling due within one year	116,584	
Creditors falling due after one year	<u>1,343,695</u>	
Balances at 31 March 2005:		<u>£1,460,279</u>

SIR JOHN CASS'S FOUNDATION

NOTES TO THE ACCOUNTS - 31 MARCH 2005

15. 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 2005 are represented by				
Tangible fixed assets	-	6,105,000	-	6,105,000
Investments	3,736,033	44,452,812	21,020	48,209,865
Current assets	51,597	-	-	51,597
Current liabilities	(820,214)	-	-	(820,214)
Long term liabilities	<u>(1,343,695)</u>	-	-	<u>(1,343,695)</u>
Total Net Assets	<u>£1,623,721</u>	<u>£50,557,812</u>	<u>£21,020</u>	<u>£52,202,553</u>
Unrealised gains included above				
On tangible fixed assets	-	5,969,067	-	5,969,067
On investment assets	<u>(862,304)</u>	<u>32,745,687</u>	<u>19,301</u>	<u>31,902,684</u>
Total unrealised gains/losses at 31 March 2005	<u>£(862,304)</u>	<u>£38,714,754</u>	<u>£19,301</u>	<u>£37,871,751</u>
Reconciliation of movement in unrealised gains on investment assets				
Unrealised gains/(losses) at 31 March 2004	(1,262,792)	27,421,445	17,398	26,176,051
Losses realised	-	516,012	-	516,012
Net gains arising on revaluations in year	<u>400,488</u>	<u>4,808,297</u>	<u>1,903</u>	<u>5,210,688</u>
Unrealised gains/(losses) at 31 March 2005	<u>£(862,304)</u>	<u>£32,745,754</u>	<u>£19,301</u>	<u>£31,902,751</u>

