

St. Clement Danes Educational Foundation



Report and Financial Statements

31 December 2020

Charity Number 312319

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For the year ended 31 December 2020

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St Clement Danes Educational Foundation

Legal and administrative details

For the year ended 31 December 2020

Constitution	The St Clement Danes Church of England Primary School, the School of the Foundation, was founded on 13 January 1701. However the first charitable scheme regulating the Foundation was made under the Endowed Schools Act 1869. The Charity is currently regulated by a Scheme under the auspices of the Charity Commission dated 30 July 1954, which Scheme was subsequently varied to a small degree by further Schemes dated 1 August 1972 and 27 November 1998 and an order dated 20 March 2001. The Charity has been registered with the Charity Commission since 26 July 1965.			
Charity number	312319			
Registered office and operational address	St Clement Danes Church of England Primary School Drury Lane London WC2B 5SU			
Appointment of Trustees	The Constitution allows for ten trustees: a One Ex-officio, being the Rector of St Mary le Strand with St Clement Danes or the nominee of the Archdeacon of The Two Cities b Five by the City of Westminster c Two by the London Diocesan Board for Schools d Two Co-opted Trustees, who shall be members of the Church of England			
Trustees		Appointed	Resigned	Term
a	The Revd Simon Grigg			-
b	P. Maplestone			2020-2024
b	C. Thomson			2020-2024
b	K. Dodman			2018-2022
b	L. Jansen			2018-2022
c	I.R.M. Woolf B.E.M			2020-2023
c	C. Stefani			2019-2022
d	H. Jarvis			2017-2022
d	J. Rymer		Nov 2020	
Chairman	P. Maplestone (Mrs J. Rymer until May 2020)			
Vice-Chairman	K. Dodman			
Clerk to the Trustees	Mrs D. Starkey			
Independent Examiner	Tim Hardy, Shipleys LLP, 5 Godalming Business Centre, Woolsack Way, Godalming, Surrey GU7 1XW			
Bankers	Lloyds Bank, 6 Holborn Circus, London EC1N 2HP			
Solicitors	Wedlake Bell, 71 Queen Victoria Street, London EC4V 4AY			
Stockbroker	Walker Crips Stockbrokers Limited, 128 Queen Victoria Street, London EC4V 4BJ			

The Trustees present their Annual report and financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Legal and administrative information set out on the previous page forms part of this report.

Objects of the Charity

The principal object of the Charity is to award grants to enable the Governing Body of St Clement Danes Church of England Primary School to comply with their obligations under the Education Acts. It may also apply such further sums, as the Trustees deem fit in the provision of special benefits for the School of a kind not provided by Westminster City Council. In addition, after meeting the needs of the School, the Trustees may apply income to benefit young persons, who have not attained the age of 25 years, are in need of financial assistance, are or have been pupils at the School or are resident in the Diocese of London, with a preference for those resident within the City of Westminster.

Public Benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit on reporting on the Charity's objectives and activities, achievements and plans for the future. St Clement Danes Church of England Primary School, the principal beneficiary of the Charity, has an inclusive admissions policy for children living locally. The Charity also makes grants to young persons in need of financial assistance. The Trustees consider that the Charity meets the criteria for public benefit as defined by the Charity Commission.

Organisational Structure

The Trustees meet at least four times each year. There are no sub-committees.

Induction and Training

The induction of new trustees is undertaken by the Clerk who, after sending a copy of the Constitution together with minutes, accounts and relevant papers, meets each new trustee to explain the administration and history of the Charity and gives a tour of the School. Trustees are made aware of the information available on the Charity Commission website to assist them with the discharge of their duties as a trustee of a charity.

Risk Management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to identify where and when action is required. The ability to maintain the real value of investment income and to attract sufficient children at a time when school rolls are falling in Central London are the risks with the highest mitigated risk score.

The Charity and Related Parties

The Charity has a close relationship with the School of the Foundation.

Achievement, Performance and Financial Review

Investment income fell by £20,858 to £155,559 due to lower interest rates, redemption of a high yield bond and a reduced distribution from Charfund as a result of companies husbanding cash during the COVID-19 pandemic.

There were fewer requests for grants from individuals and the pandemic limited the number of external school activities with the result that grants paid fell by £19,390 to £125,825.

Individual grant applications approved decreased from 10 to 3 but the Trustees also permit the headteacher to make small grants for the well being of pupils; the impact of Covid-19 provide few opportunities for supporting pupils and overall, grants of £5,669 (2019: 15,119) were approved.

The unrestricted surplus for the year of £14,109 (2019: £14,312) has been added to the designated school fund.

Volunteers

St Clement Danes Educational Foundation

Report of the Trustees for the year ended 31 December 2020

Inigo Woolf volunteers to oversee the production of management accounts and draft the annual report and accounts. In addition he maintains an oversight of the Investments of the Charity. He receives no benefit but the London Diocesan Board for Schools received a fee of £2,000 in 2020 (£2,000 in 2019) in this regard.

Investment Review

The Investments in pooled investments provide a broad spread of investments with an emphasis on generating a greater portion of the annual return from income rather than capital gain. The aim is to provide a recurring income that grows in line with the increase in retail prices and at the same time retain the real value of the endowment fund.

The trustees review investment performance at their meetings and meet periodically with the fund managers; the COIF Global Equity Income Fund performed particularly well with an increase of 19% in value whereas M&G Charifund with its exposure to the UK stock market gave up all its 17% gains of the previous year. Towards the end of the year surplus cash in the Endowment Fund which had been augmented by the redemption of high yield bonds in 2019 and 2020 was invested in the COIF Fund (£100,000) and Charifund (£50,000).

Despite the reduction in income from Charifund, this Fund still distributes more income than other pooled funds available to charities and the expectation is that several companies will be reinstating dividends in 2021 or 2022. 52% of the Endowment Fund is invested in Charifund and 39% invested in the COIF Global Equities Fund with 9% in fixed interest bonds.

Objectives for 2021

Support the St Clement Danes School and especially those pupils whose education has been held back by the COVID-19 pandemic.

Reserves Policy

The School Fund represents an accumulation of the unrestricted funds arising from past operating results. It also represents the free reserves of the Charity, as all fixed assets are included in restricted funds. The School has been maintaining the school building to a high standard and the surveyor to the School prepares an annual condition report. So that a programme of works can be carried out every five years, reserves are built up in the intervening period. The Trustees believe that a reserve of £500,000 would cover most risks - at the end of December 2020 the reserve increased from £388,593 to £402,702. As funds may be required within 5 years no investment risk is considered appropriate and artificially low interest rates limits the ability to grow the reserve.

Independent Examiner

Shiplee LLP has expressed its willingness to continue as independent examiners to the Charity.

Approved by the Trustees on 18 May 2021 and signed on their behalf by:



Peter Maplestone, Chairman

St Clement Danes Educational Foundation

Independent Examiner's Report to the Trustees for the year ended 31st December 2020

I report to the Trustees on my examination of the accounts of St Clement Danes Educational Foundation for the year ended 31st December 2020 which are set out on pages 7 to 15.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed by examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

18 May 2021

Tim Hardy FCA
Shipleys LLP
Chartered Accountants
5 Godalming Business Centre
Woolpack Way
Godalming
Surrey GU7 1XW

St Clement Danes Educational Foundation

Statement of financial activities

For the year ended 31 December 2020

	Note	Unrestricted General Fund £	Designated School Fund £	Restricted & Capital Funds £	2020 Total £	2019 Total £
Income from:						
Investments	2	<u>155,283</u>	<u>-</u>	<u>276</u>	155,559	176,417
Total income		<u>155,283</u>	<u>-</u>	<u>276</u>	155,559	176,417
Expenditure on:						
Charitable activities	3	<u>132,034</u>	<u>-</u>	<u>9,549</u>	141,583	162,050
Total expenditure		<u>132,034</u>	<u>-</u>	<u>9,549</u>	141,583	162,050
Gains/(Losses) on investment assets						
Unrealised gains on investments		-	-	(141,778)	(141,778)	473,774
Net realised (losses)/gains on investments		-	-	(1,620)	(1,620)	-
Net income/(expenditure) before transfers		23,249	-	(152,671)	(129,422)	488,141
Transfer between funds	4a	(14,109)	14,109	-	-	-
Transfer between funds	4b	<u>(9,140)</u>	<u>-</u>	<u>9,140</u>	<u>-</u>	<u>-</u>
Net income after transfers		-	14,109	(143,531)	(129,422)	488,141
Net movement in funds		-	14,109	(143,531)	(129,422)	488,141
Reconciliation of funds						
Brought forward from previous year		-	388,593	3,809,182	4,197,775	3,709,634
Funds carried forward		<u>-</u>	<u>402,702</u>	<u>3,665,651</u>	<u>4,068,353</u>	<u>4,197,775</u>

There are no recognized gains or losses other than those disclosed.

The notes on pages 9 to 15 form part of these accounts.

St Clement Danes Educational Foundation

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognized at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102) and the Charities Act 2011.

The Charity is not required to prepare a cash flow statement in accordance with the Charities SORP (FRS102).

The presentation currency is £ sterling.

The Charity constitutes a public benefits entity as defined by FRS 102. Additional information regarding the legal form of the Charity, operational address and description of purpose can be found on pages 3 and 4 of the Accounts.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. This going concern basis has been reached due to the charity having sufficient net assets to cover all grants and expenditure for the following 12 months.

b) Fixed Assets

The freehold building is shown at deemed cost in its use as a school. The trustees consider that the residual value of the freehold building is at least equal to its net book value and, therefore, no depreciation has been charged.

The freehold building is occupied by a Church of England primary school and the Trustees have no power to terminate their occupation. In consequence it is not possible to provide a market value for the site.

Leasehold property improvements are depreciated on a straight line basis over their estimated useful lives of 20 years although the underlying lease is for 99 years. This leasehold property, Twining Hall, can only be used for educational purposes.

Investments are re-valued annually to their fair value using the closing quoted market price. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Realized gains and losses are included in the Accounts as they arise.

c) 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.

d) Creditors and provisions

Creditors and provisions are recognised where the charity 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.

e) Taxation

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

f) Value Added Tax

The charity is not recognised for VAT purposes and all expenses are inclusive of irrecoverable VAT where applicable.

g) **Income**
All income is recognized once the Charity has entitlement to the income, it is probable that the income will be received and that the amount of income can be measured reliably.

Investment income from property, fixed interest investments and deposit accounts is included in the accounts on a receivable basis. Dividend income is recognized with reference to the dividend declaration date.
Donations, legacies and other income are recognized when the Charity is notified that it will receive the donation.

Charitable income received in furtherance of the Charity's objects is accounted for on a receivable basis.

Other income is accounted for in the year in which they are received and allocated to funds as appropriate.

h) **Expenditure**
Liabilities are recognized as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is included on an accruals basis.

Cost of raising funds comprises charges for holding investments in a nominee company.

Grants payable to St Clement Danes Church of England Primary School and to students are recognized in the accounts when authorized. Grants to students are withdrawn and written back after an appropriate time if the grant conditions cannot be complied with.

Support costs have been apportioned between charitable expenditure and governance on the best estimate of staff time spent on each activity.

i) **Restricted Funds**
Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs where this is permitted.

j) **Designated Funds**
Any realised surplus arising in the unrestricted fund is transferred to designated funds with reference to the trustees anticipated future expenditure requirements. Details of the nature and purpose of each fund is set out in Note 9.

k) **Unrestricted Funds**
Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

l) **Permanent Endowment**

The charity has a permanent endowment, the income from which is wholly unrestricted.

St Clement Danes Educational Foundation

Notes to the financial statements

For the year ended 31 December 2020

2. Investments			2020	2019
	Unrestricted £	Restricted £	Total £	Total £
Income from Investments	124,118	276	124,394	144,046
Interest from short term deposits	1,165	-	1,165	2,371
Rental income	30,000	-	30,000	30,000
Total	<u>155,283</u>	<u>276</u>	<u>155,559</u>	<u>176,417</u>

Rental Income is derived from a 25-year lease, signed on 12th April 2001 between St Clement Danes Holborn Estate Charity and the Foundation with a rent review every five years. The rent increased from £25,750 in 2015 to £30,000 per annum in 2016.

In 2019 £342 of the Investment Income was attributable to restricted income funds with the balance of £176,075 applying to unrestricted funds.

3. Expenditure				2020	2019
	Unrestricted £	Designated £	Restricted £	Total £	Total £
3a Charitable activities					
Grants (see also note 3b)	125,416	-	409	125,825	145,215
Support costs:					
- Cost of charitable activities	-	-	-	-	287
- Depreciation	-	-	9,140	9,140	9,139
- Legal and professional fees	3,138	-	-	3,138	3,989
- Independent examination fee	3,480	-	-	3,480	3,420
Total	<u>132,034</u>	<u>-</u>	<u>9,549</u>	<u>141,583</u>	<u>162,050</u>

The Trustees receive no remuneration and expenses reimbursed are Nil (2019: Nil)

In 2019 expenditure on charitable activities was £162,050 of which £152,624 was expenditure from unrestricted funds and £9,426 was expenditure from restricted funds.

3b Grants payable			2020	2019
	Unrestricted £	Restricted £	Total £	Total £
School grant	122,799	-	409	133,165
Student grants	5,669	-	-	15,119
Grants no longer required	(3,052)	-	-	(3,069)
Total	<u>125,416</u>	<u>-</u>	<u>409</u>	<u>145,215</u>

Schools grants are awarded to St Clement Danes CofE Primary School.

5 grants were awarded to students (2019:51) Students include existing pupils at St Clement Danes CofE Primary School.

4. Transfer between funds

4a A transfer has been made from the General Fund to the designated School Fund of £14,109 (2019: from the General Fund to the designated School Fund £14,312) for charitable purposes.

4b An amount of £9,140 (2019: £9,139) has been transferred to Restricted Funds to compensate for the depreciation charged on leasehold improvements.

5. Tangible Assets	Charitable Use:	Freehold Property		Leasehold Property		Total
		£	£	£	£	
Cost/valuation	At 1 January 2020	500,000	182,781	500,000	182,781	682,781
	additions	-	-	-	-	-
	At 31 December 2020	500,000	182,781	500,000	182,781	682,781
Depreciation	At 1 January 2020	-	173,641	-	173,641	173,641
	additions	-	9,140	-	9,140	9,140
	At 31 December 2020	-	182,781	-	182,781	182,781
Net book values	At 31 December 2020	500,000	182,781	500,000	182,781	500,000
	At 31 December 2019	-	9,140	-	9,140	509,140

Freehold Property
 The Trustees consider the value of the freehold property in its current use as a school to be in the region of £500,000. The original cost of the property was £nil and was re-valued to deemed cost in the accounts to 31 December 1995. The market value of the property and site would however be significantly greater if converted to commercial use - Westminster City Council insures the property for £12.2m.

The value of £500,000 has not been updated and this will be held as the carrying value in future years.

School House
 Under a charity order dated 20 March 2001, a lease was granted on this part of the freehold property. Should the lease be terminated by either party the property reverts to the School and so the lease has a nil residual value.

Leasehold Property
 A 99 year lease for the use of part of the basement of 9/13 Kean Street, now called Twinning Hall, was signed on 8 November 2001. The Trustees have decided to depreciate property improvement expenditure on this leasehold property over 20 years. As the lease is restricted to educational use no residual value has been placed on this asset.

All tangible assets in 2020 and 2019 relate to the restricted and capital funds

St Clement Danes Educational Foundation

Notes to the financial statements

For the year ended 31 December 2020

6. Investments

	2020	2019		
Investments at Fair Value	£	£		
Fair value at 1 January	3,180,505	2,706,731		
Purchases	150,000	-		
Sales	(27,000)	-		
(Loss)/Gain in year	<u>(143,398)</u>	<u>473,774</u>		
Fair value at 31 December	<u>3,160,107</u>	<u>3,180,505</u>		
	2020	2019	2020	2019
Fixed interest securities listed on the London Stock Exchange	£	£		
	195,500	230,120	6%	7%
Unquoted pooled investment funds				
M&G Charfund Income units	1,640,202	1,924,733	52%	61%
COIF Global Equity Income Fund units	1,324,405	<u>1,025,652</u>	42%	32%
	<u>3,160,107</u>	<u>3,180,505</u>	<u>100%</u>	<u>100%</u>
Historical cost at 31 December	2,113,098	1,987,966		

All financial assets are carried at their fair value. Investments in fixed interest securities are traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognized at the date of trade at cost (that is their transaction value).

The greater part of the fixed interest securities comprise two holdings of perpetual subordinated bonds issued by a UK clearing bank and a building society. The Trustees recognize that with interest coupons of 13.625% and 7.25% respectively, the bonds may be called for redemption and plan for the possible reinvestment at lower rates of interest.

The investment in pooled investment funds is restricted to the restricted and capital funds. The Trustees rely on the income and the significance of the investments to the ongoing sustainability of grant making is considered in the investment review of the Trustees Annual Report.

All investments in 2020 and 2019 relate to the restricted and capital funds.

7. Current Assets

	2020	2019	
	£	£	
Debtor - connected charity	500	-	
Cash at Bank balances were as follows:			
Unrestricted funds	4,157	15,563	
Designated school funds	402,702	388,593	
Restricted and capital funds	5,544	<u>119,537</u>	
	<u>412,403</u>	<u>523,693</u>	
	<u>412,903</u>	<u>523,693</u>	

8. Creditors - Amounts falling due within one year

	2020	2019	
	£	£	
Connected charity	-	7,000	
Accruals and grants payable	4,657	<u>8,563</u>	
	<u>4,657</u>	<u>15,563</u>	

Grants payable relate to grants approved by the Trustees but not drawn down at the year end

All creditors in 2020 and 2019 relate to unrestricted funds.

	2020	2019
General	£ 155,283	£ 176,075
Investment Income	(132,034)	(152,624)
Expenditure	23,249	23,451
Balance at 1 January	388,593	388,593
Transfer between funds	(14,109)	(14,312)
Transfer to restricted funds	(9,140)	(9,139)
Balance at 31 December	402,702	388,593

The amounts allocated to the Designated School Fund are available to the School Governing Body in order to assist the Governors with their obligations under various Education Acts and for the provision of special benefits not normally provided for schools by the City of Westminster. It is a requirement of the Trustees that the School Governors obtain the prior approval of the Trustees before monies are drawn down.

9. Unrestricted Funds

10. Restricted Funds

	Capital	Prize Fund
Balance at 1 January	£ 3,802,178	£ 7,004
Income received	-	276
Expenditure on prizes	-	(409)
Depreciation on leasehold property	(9,139)	-
Transfer from general fund	9,139	-
Unrealized gain on investments	3,802,178	6,871
Net realized (loss) on investments	(1,620)	-
Balance at 31 December	3,659,958	5,693

Capital Fund
This fund holds the capital of the Charity. Income is credited to the General Fund.

Prize Fund

Income from the Fund enables the School to offer the following prizes:

- Robinson Family prize for PE
- Mabel Wilshire prize for humanities
- Mounsey-Thear prize for RE
- Richard Burt prize for music
- Arthur Jephcott prize for music
- RAF prize for service to the School
- Miss Lyons prize for reading
- Thomas McBride prize for handwriting
- Major Bruce Low prize for environmental studies
- David Jarvis prize for maths
- G.A.T. Jones prize for progress
- Mabel Lynch prize for science
- Pennington-Bickford prize for art

Within the balance of the Prize Funds there was accumulated unspent income of £152 at the start of the year and £19 at the end of the year.

St Clement Danes Educational Foundation

Notes to the financial statements

For the year ended 31 December 2020

11. Analysis of Net Assets between Funds as at 31 December 2020

	Freehold and leasehold	Investments	Net Current Assets	Total
	£	£	£	£
Unrestricted Funds				
Designated	-	-	402,702	402,702
Restricted Funds				
Prize fund	-	5,674	19	5,693
Permanent Endowment Funds				
Capital fund	500,000	3,154,433	5,525	3,659,958
Total	<u>500,000</u>	<u>3,160,107</u>	<u>408,246</u>	<u>4,068,353</u>

31 December 2019

	£	£	£	£
Unrestricted Funds				
Designated	-	-	388,593	388,593
Restricted Funds				
Prize fund	-	6,852	152	7,004
Permanent Endowment Funds				
Capital fund	509,140	3,173,653	119,385	3,802,178
Total	<u>509,140</u>	<u>3,180,505</u>	<u>508,130</u>	<u>4,197,775</u>

12. Common Trustees and related parties

J Rymer was also a trustee of St Clement Danes Holborn Estate Charity, the lessees of School House. The rental income is shown in Note 2.

St Clement Danes Holborn Estate Charity owed £500 at 31 December 2020 (2019: pre-paid £7,000 in creditors).

