

THE PADDINGTON CHARITIES

ANNUAL REPORT 2021

INTRODUCTION

This is the Annual Report of the Paddington Charitable Estates Educational Fund (Charity No. 312347) and the Paddington Relief in Need Charity (Charity No. 810132). The two organisations are distinct in terms of their beneficiaries, but organisationally they operate as one body. This is referred to as The Paddington Charities. They both derive income from the Paddington Charitable Estate (Charity No. 212102).

In accordance with the scheme approved by the Charity Commission, the net annual income of the Paddington Charitable Estate is transferred to the Educational Fund (four-fifths) and the Relief in Need Charity (one-fifth).

The Registered Office is 19th Floor, Westminster City Hall, 64 Victoria Street, London SW1E 6QP. The Trustees are : Honorary Alderman Michael Brahams, The Reverend Gary Bradley, Honorary Alderman Jan Prendergast, The Reverend Alastair Thom, Honorary Alderman Barrie Taylor, Councillor Barbara Arzymanow, Councillor Rita Begum, The Reverend David Ackerman and Councillor Margot Bright.

ACTIVITIES OF THE CHARITIES

THE EDUCATIONAL FUND

Background

The income from the Educational Fund is applied in a variety of different ways so as to meet the objectives of the Charity's scheme. Essentially it is there to provide support for people under the age of 25, who are resident in the area of the former Metropolitan Borough of Paddington and who, in the Trustees' opinion, are in need of financial assistance to enable them to pursue their education.

This support can be given in terms of scholarship or bursaries to schools and other places of learning; individual educational trips; provision of financial support to assist individuals to enter into a profession, trade, or to study music and other arts; or financial assistance generally in the education of people meeting the criteria of the scheme. The Fund also makes an annual contribution to the running of voluntary-aided Church of England schools in Paddington to be used to keep those schools in good repair or make physical alterations so that they can continue to provide proper education for their pupils.

Grants to Schools

So far as application of charity funds to the voluntary schools is concerned, there are currently eight such schools in the Paddington area. One is a secondary school and the remainder are primary schools. The practice of Trustees has been to decide how much money should be allocated, which in 2020 was £65,000, and then to apportion this to the various schools on a per capita basis according to the number of pupils resident in Paddington on each school roll. The total number of children assisted in this way was around 1,500 in 2020.

Grants to Organisations

Trustees have traditionally made grants to organisations providing activities for children and young people within Paddington. Last year, these amounted to £14,900, including a grant of £2,500 to St Marylebone Scout Group; £1,500 for IT equipment at Westbourne Park Family Centre; £7,500 to The Avenue Youth Project for after school activities; and £1,800 to St John Evangelist Church for printing a children's book. Various Paddington organisations are assisted in providing holiday and other activities. These have included making grants to schools to enable them to take pupils on summer outings, and to other organisations to allow them both to take children on summer trips and to provide supervised activities and play during school holidays.

Grants to Individuals

A number of grants to individuals are approved each year. These are made, entirely at Trustees' discretion, to people falling within the scope of the scheme to assist in some way in furthering their education. Grant assistance is given with school and course fees, and this is generally intended to assist children from Paddington who are particularly gifted, or in need of special tuition. By their very nature, awards of this type are long-term, expensive and therefore a substantial burden on the charity's resources. Last year, one young person was assisted in this way.

RELIEF IN NEED

Background

The Welfare Fund is used for the relief of need and sickness of persons resident in the area of Paddington. There are, within the scheme, two specific restrictions that are placed on the Trustees. They may not use funds to relieve money available from public funds (although they may supplement income derived from these sources), and they may not commit themselves to any on-going support in any case, except pensions.

Grants to Individuals and Organisations

Grants are made to individuals in response to specific requests. In the main, these involve assistance with the purchase of furniture and household equipment, clothing, and arrears of bills (telephone, gas and electricity). In 2020, grants to individuals amounted to £3,300. Grants to organisations amounted to £5,100 last year, including contributions towards Christmas lunches provided by Age UK (£2,000) and equipment for the Imperial Covid Cognitive Impairment Project supported by The Friends of St Mary's Hospital (£3,000).

Pensions

A half yearly pension is paid to up to 75 elderly Paddington residents in need. Nominations to the scheme are made by Age UK. A small Christmas bonus is also paid to these pensioners. The total expenditure in 2020 amounted to £11,345.

Food and Fuel Coupons

A food and fuel coupons scheme has been devised as a way of giving non-cash assistance to people in need. Coupons are allocated to local vicars for distribution to needy people. The value of the redeemed coupons stood at £1,900 in 2020 and the scheme is regarded by the agencies that distribute them as meeting a very acute social need. We are very grateful to these agencies for their help in enabling us to reach deserving recipients.

Grants for Immediate Aid in Need

All clergy in the Paddington area are offered £200 for "Immediate Aid in Need" during the year. This is intended to be offered in small cash amounts as and when required. The initiative complements the food and fuel coupons scheme providing a cushion for people in dire need. The vicars are asked to provide a list of people given financial support so that the residential qualifications can be checked.

GOVERNANCE

The Trustees meet twice a year and receive a presentation from the investment fund managers, Cazenove Capital Management, on the portfolio strategy, performance and outlook. The Charities' financial activities and balances are also reviewed at each meeting. During the Covid-19 lockdown in 2020 the Trustees' meetings have been held on-line. Between meetings, the Chairman and/or the Vice-Chairman (plus up to three other Trustees) consider grant applications and their decisions are reported to the next Trustee meeting.

SUMMARY

Both the Education and the Relief in Need Charities continue to assist and sustain a number of individuals and organisations who are in financial need. The type of assistance given is diverse and specifically targeted at identified areas of need, both in the educational and welfare fields where other agencies cannot help. Indeed, the Charities' schemes preclude their giving financial assistance when this is available to applicants from a public authority.

APPROVED BY THE TRUSTEES ON 29TH MARCH 2021

SIGNED
Chairman of the Trust

**PADDINGTON CHARITABLE ESTATES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Details	Note	Charitable Estates (Endowment)	Education Fund	Relief in Need (Part Endowment)
		£	£	£
INCOME	1			
Dividends and Interest		91,950	22,111	9,289
TOTAL INCOME		91,950	22,111	9,289
EXPENDITURE	2			
Management & Administration	3	11,655	2,804	1,177
Food and fuel coupons		-	-	1,910
Pensions	4	-	-	11,345
Annual Grants to Schools	5	-	65,000	-
Grants to Organisations	6	-	14,900	5,500
Grants to Individuals	7	-	6,556	3,330
Grants for immediate aid		-	-	2,950
TOTAL EXPENDITURE		11,655	89,260	26,212
NET INCOME (EXPENDITURE)		80,295	(67,149)	(16,923)
Transfers between Funds	8	(80,295)	64,236	16,059
Net purchases and sales of Investments		7,499	1,373	770
Balance brought forward at 01.01.20.		21,602	61,494	6,729
Balance carried forward at 31.12.20.		29,101	59,954	6,635

PADDINGTON CHARITABLE ESTATES
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

		2020	2019
		£	£
FIXED ASSETS			
Investments at market value:			
Listed Investments	9	3,141,293	3,400,160
CURRENT ASSETS			
Short-term Deposits			
Cazenove		2,202	-
COIF		25,852	25,784
Black Rock Charities UK Bond Fund	10	16,088	15,605
M & G Charibond	10	1,701	1,682
Cash at Bank - Royal Bank of Scotland		68,705	65,946
Cash at Bank - Barclays	10	22,822	22,314
Cash in Hand		282	105
		137,652	131,436
Less Current Liabilities - Creditors		1,859	2,010
NET CURRENT ASSETS		135,793	129,426
TOTAL ASSETS less Current Liabilities		3,277,086	3,529,586
FUNDS	11		
Charitable Estates		2,379,207	2,570,930
Education Fund		652,765	701,947
Relief in Need		245,114	256,709
		3,277,086	3,529,586

APPROVED BY THE TRUSTEES ON 29 MARCH 2021

PADDINGTON CHARITABLE ESTATES

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

General

These Accounts relate to the Paddington Charitable Estate (Charity No. 212102), the Paddington Charitable Estates Educational Fund (Charity No. 312347), and the Paddington Relief in Need Charity (Charity No. 810132). These three Charities are distinct in terms of their beneficiaries but are managed by one board of Trustees. The Paddington Charitable Estate is an endowment Charity providing income for the Educational Fund and Relief in Need Charities.

In 2019, the Trustees proposed that the Miss Hawkins Woodfield Foundation (Charity No. 312247) be merged into the Paddington Charitable Estates Educational Fund (Charity No. 312347). Both these Charities were managed by the same Trustees. The Charity Commission raised no objection to the merger as the Charities had similar objectives.

Accounting Policies

The Accounts comply with the Statement of Recommended Practice (SORP) on Accounting and Reporting applicable to Charities, issued by the Charity Commission, and providing guidance on how to apply the Financial Reporting Standard (FRS 102).

The Accounts comprise of :

- A Statement of Financial Activities for the year that shows all investment income to the Charities and all expenditure incurred, being mainly grants to organisations and individuals;
- A Consolidated Balance Sheet that shows the assets, liabilities and funds of the Charities; and
- These Notes which expand upon the accounting statements referred to above and include a Cashflow Statement and an explanation of the basis for transfers between funds.

Further information on the general financial position is contained within the Annual Report which should be read in conjunction with the Accounts.

Listed investments are shown in the Balance Sheet at market value, and the Notes to the Accounts show the original cost (or book value) of these investments.

Sums due to or from the Charities are recorded at the time they become due or payable.

Notes to the Statement of Financial Activities

1. Income

The comparison of income for all funds with the previous financial year is as follows:

	Total Funds	
	2020	2019
	£	£
Dividends and Interest		
Equities	28,862	76,660
Multi-Asset Funds	85,835	64,084
Property	15,249	18,475
Bonds and Deposits	694	300
	130,640	159,519
Less Management Fees	7,290	7,883
Total Dividends and Interest	123,350	151,636

2. Expenditure

The comparison of expenditure for all funds with the previous financial year is as follows:

	Total Funds	
	2020	2019
	£	£
Management and Administration	15,636	15,479
Food and fuel coupons	1,910	5,310
Pensions	11,345	11,350
Grants to Schools	65,000	65,000
Grants to Organisations	20,400	24,742
Grants to Individuals	9,886	19,424
Grants for Immediate Aid	2,950	2,000
Total Expenditure	127,127	143,305

None of the Trustees have been paid any remuneration or received any other benefits from an employment within the Charities or a related entity, and no trustees expenses have been incurred.

3. Management and Administration

The management and administration expenditure is mainly comprised of fees payable to Westminster City Council for the day-to-day administration of the Charities and ongoing support to Trustees (£10,700), accounting and financial advice provided to Trustees (£4,120), the audit of annual accounts (£642) and miscellaneous expenses (£174). The expenditure is allocated to funds on the basis of investment income.

4. Pensions

A pension is paid to up to 75 elderly Paddington residents in need. Nominations to the scheme are made by Age UK. The annual amount was £200 plus a Christmas bonus of £35.

5. Annual Grants to Schools

Grants are made to the voluntary aided or special arrangement Church of England Schools in Paddington towards the purchase of sites, building works, or alterations and repairs. Grants of £65,000 for 2020 were apportioned to eight schools on the basis of the number of Paddington pupils on each school roll.

6. Grants to Organisations

Grants are made to organisations operating within Paddington. These include activities and outings for youth and children and community groups involved in educational activities. Grants were also made to Age UK for Christmas lunches, Friends of St Mary's Hospital, and St Marylebone Scout Group.

7. Grants to Individuals

Grants are made at the discretion of Trustees to assist individuals in furthering their education or in meeting welfare needs for the purchase of furniture and household equipment, clothing and arrears of bills.

8. Transfers between Funds

The net annual income of the Paddington Charitable Estate is transferred to the Education Fund (four-fifths) and the Relief in Need Charity (one-fifth) in accordance with the Scheme approved by the Charity Commission.

Notes to the Balance Sheet

9. Listed Investments

The listed investments are shown at market value and categorised as follows:

	2020	2019
	£	£
Equities	-	1,479,270
Multi-Asset Funds	2,785,315	1,538,752
Property	355,978	382,138
Total Market Value	3,141,293	3,400,160

The historic cost of these investments was £2,899,833 (2019 : £2,713,618).

The Permanent Endowments included above are as follows:

	2020 £	2019 £
Charitable Estates	2,350,106	2,549,328
Relief in Need	89,277	95,342
	2,439,383	2,644,670

10. Transfer of Current Assets

In 2019 these assets totalling £39,601 were transferred from the Miss Hawkins Woodfield Foundation following the merger of this Charity with the Paddington Charitable Estates Educational Fund. The same assets are now valued at £40,611.

11. Funds

The analysis of fund balances is as follows:

	Charitable Estates £	Education Fund £	Relief in Need £	Total Funds £
Balances at 01.01.20.	2,570,930	701,947	256,709	3,529,586
Reduction in investment values	(199,222)	(47,642)	(11,501)	(258,365)
Increase in current balances	7,499	(1,540)	(94)	5,865
	2,379,207	652,765	245,114	3,277,086

Consolidated Cash-flow Statement for the year ended 31 December 2020

			£	£
Net cash flow from operating activities:				
Net Expenditure per Statement of Financial Activities				(3,777)
Reduction in Creditors				(151)
Investing activities :				
Net purchases and sales of investments				9,642
Increase in value of deposits				502
Increase in cash and cash equivalents (as shown below)				6,216
	<u>2020</u>	<u>2019</u>	<u>Change</u>	
	£	£	£	
Short term deposits	45,843	43,071	2,772	
Cash at Bank	91,527	88,260	3,267	
Cash in Hand	282	105,	177	
	137,652	131,436	6,216	
Cash and cash equivalents at December 2019				131,436
Cash and cash equivalents at December 2020				137,652

Note : The 2019 figures include the current assets (£39,601) transferred from the Miss Hawkins Woodfield Foundation to the Paddington Charitable Estates Education Fund.

PARKER BIRCH

**23 St Peters Road
Great Yarmouth, Norfolk NR30 3BQ**

The Trustees of the Paddington Charitable Estates
C/o Mr D Gann
2 Woodmere Way
Beckenham
Kent BR3 6SL

8th September 2021

Dear Sirs

PADDINGTON CHARITABLE ESTATES AND PADDINGTON WELFARE CHARITIES

I have reviewed the books and records maintained by the Trustees and have completed the following audit tests on the transactions:

- (a) a sample of 40 cheque payments was taken. Each payment was vouched to supporting documentation and the posting in the nominal ledger was verified;
- (b) a sample of 16 income transactions recorded on the bank statement was taken. Each item was vouched to supporting documentation and the posting in the nominal ledger verified;
- (c) the trial balance was checked to the nominal ledger;
- (d) the figures in the accounts prepared were agreed to the trial balance;
- (e) balance sheet items were checked to supporting documentation;
- (f) cash payments and receipts were totalled and agreed to the reconciled bank balances shown in the accounts at 31 December 2020
- (g) minutes of the Trustees Meetings were examined.

Based on this review and the audit tests completed, I would conclude that the Statement of Accounts is a true and fair representation of the transactions of the Paddington Charitable Estates and Paddington Welfare Charities for the year ended 31 December 2020.

If you have any queries on this matter, please contact me on 07933 075025.

Yours faithfully

Nick Parker

NICK PARKER FCA