

**Finsbury
Educational
Foundation**

Annual Report and Accounts

31 December 2009

Charity Registration Number
312506

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Legal and administrative information

Trustees		David Hyams	Chairman
		David Freeman	Vice-Chairman
	■	Nigel Fletcher	
	■	Joan Herbert	
		Revd Katherine Rumens	
	■	Joe Trotter	
	■	Jean Dolphin	

- Appointed by St. Luke's Parochial Trust
- || Appointed by the Parochial Church Council of the Ecclesiastical Parish of St Giles without Cripplegate with St Bartholomew Moor Lane, St Alphage London Wall and St Luke Old Street, with St Mary Charterhouse and St Paul Clerkenwell

Principal officers	Kristina Glenn -	Clerk to the Trustees
	Amanda Wood -	Finance Manager

Principal office 76 Central Street
LONDON
EC1V 8AG

Telephone 020 7566 3130
Facsimile 020 7549 8180

Charity registration number 312506

Legal and administrative information

Investment advisers	CCLA Investment Management Limited 80 Cheapside LONDON EC2V 6DZ
Bankers	CAF Bank Ltd 25 Kings Hill West Malling KENT ME19 4JQ
Solicitors	Wedlake Bell 52, Bedford Street London WC1R 4LR

Report of the Trustees

The Trustees present their statutory report with the accounts of the Finsbury Educational Foundation for the year ended 31 December 2009.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached accounts and comply with the charity's trust deed, applicable laws and the requirements of Statement of Recommended Practice on Accounting and Reporting by Charities" (SORP 2005).

History and Background

The Foundation was formed by a Charity Commission Scheme dated 31 December 1993, which merged and extended the investment and grant making powers deriving from eight endowed local educational charities operating in the area of the former Metropolitan Borough of Finsbury, and this remains substantially the united area of benefit. A map of the Area of Benefit is attached to this report. The Foundation thus incorporates bequests from the seventeenth to nineteenth centuries. The Foundation's principal activity is to make grants for the promotion of the education of beneficiaries as defined in its Scheme.

Structure, Governance and Management

Four of the Trustees of the Foundation are to be nominated by and from the Trustees of St Luke's Parochial Trust (hereafter "St Luke's", registered charity number 207497 – a charity for the relief of poverty in part of the Foundation's area). St Luke's appointments are no longer constrained to include trustees from the London Borough of Islington. The remaining 3 Trustees of the Foundation are to be nominated by the Parochial Church Council of the Parish of St Giles Cripplegate. St Giles PCC appointments are no longer constrained by status. This was agreed by the Charity Commission on 23rd September 2008.

The Trustees listed on page 1 constitute the Trustees of the Foundation for the purpose of charity legislation and were in office during the year.

No Trustee received any remuneration for services as a Trustee and no travelling or entertaining expenses were reimbursed (2008 - nil). No Trustee had any beneficial interest in any contract with the charity during the year.

The trustees are responsible for preparing the Annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing accounts giving a true record, the trustees 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 departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the charity's independent examiner is unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's independent examiner is aware of this information.

Trustees review strategy and priorities of the Foundation at their annual meeting, taking into account grant making, development programmes, investments and risk management. The day to day administration of the Foundation is delegated to the Clerk.

Risk Management

Trustees believe that the Foundation's reserves provide sufficient resources to meet their objectives in the event of adverse conditions. Trustees believe that key controls over financial and operational systems and other business risks which the Foundation faces are in place to mitigate the significant risks.

Objectives and Activities

Finsbury Educational Foundation (FEF) exists to help young people under the age of 25 (or up to 40 in special circumstances) with the costs of their education if they are in financial need, either by making a grant to the individual directly or by assisting an organisation that works with young people. The Area of Benefit is largely contained within the former Metropolitan Borough of Finsbury, and the people who qualify are those who live or work in that area. A map of the area is attached at the end of this report. However, the definition of those who qualify is widely drawn to include students of a school, nursery school or other educational institution in the area of benefit and those whose parents, guardians, foster parents or spouse live or work in the area of benefit.

Grant Making Policy

The overall guiding principle is the promotion of the education of beneficiaries. The Finsbury Educational Foundation Area of Benefit contains eight primary schools, two secondary schools and a special school. These are:

Central Foundation Boys School
Clerkenwell Parochial School
Elizabeth Garrett Anderson School
Hanover Primary School
Hugh Myddelton Primary School
Moreland Primary School
Golden Lane Campus having Prior Weston Primary and Richard Cloudesley School
St Peter & St Paul School
St Luke's C.o.E. School
Winton Primary School

The Foundation has developed a pro active approach to its work. It has identified parts of the curriculum that have been neglected in recent times. From 2007, the Foundation has concentrated its support on music for young people and specifically for the work of LSO Discovery in the Finsbury Educational Foundation's area of benefit.

Achievements and Performance

Review of Activities

The Foundation principally supports organisations working with young people in local schools. In 2009 the Foundation awarded two grants to LSO St Luke's for its work with young people in the area of benefit.

London Symphony Orchestra

Funding of £20,000 was agreed to London Symphony Orchestra towards LSO St Luke's Youth choir, a community gamelan group, The First Monday Club for young people with learning difficulties and core costs to support this work.

LSO Discovery offers a wide range of activities which includes music classes for under fives, work with local primary and secondary schools and family concerts. Regular groups also include a Fusion Orchestra and a Digital Technology Group. Its youth choir with over 80 members now performs at the Barbican on a regular basis.

An instrumental learning programme was introduced in 2007. Finsbury Educational Foundation agreed funding of £1,500 in 2009 towards the cost of free musical instruments for four participants in the LSO Discovery project. The beneficiaries of the awards have been identified by tutors as being the most committed to the instrument and in most financial need. The funding will be drawn down in June 2010.

Foundation funding allows local young people to access some world class opportunities. Trustees take an active interest in LSO Discovery and attend concerts and work shops on a regular basis.

Financial Review

Net incoming resources were £22,155 (2008: £25,290). Direct grant expenditure levels increased to £20,000 in 2009 (2008: £13,407).

Support costs and governance costs remained stable in 2009.

Reserves Policy and Accumulated Income

The Foundation's balance sheet shows funds employed totalling £842,386 and of these £292,546 is unexpendable endowment. This leaves reserves of £549,840 represented by the Accumulated Income Fund and the Designated Funds.

The Trustees, aware of the substantial loss of net rental income to the Foundation when their Head Lease on 8 Dallington Street expired, established a Rental Replacement Designated Fund to help to compensate for this loss of income and thus secure the Foundation's long term grant making. This fund now stands at £302,836 (2008: £232,926).

The Trustees also maintain a Continuity of Grants Reserve and have set aside in a Designated Fund £190,457 (2008: £172,344) to provide a regular source of funds to enable the Foundation to make grants to beneficiaries and to continue to do so in the years ahead. The Trustees consider this fund to be adequate at this time and would not plan to add to it in the coming year.

At 31 December 2009, the Accumulated Income Fund stood at £56,547 (2008 – £59,342).

Investment Policy and Performance

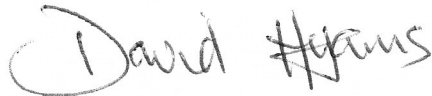
The Trustees believe this strategy will achieve a steady growth of real income over the years and offset, to a limited extent, the loss of the Foundation's rental income.

The Foundation's assets are kept under review by the Trustees and they monitor the investments in consultation with their professional advisors.

Plans for the Future

The Foundation will continue to review how it will continue to be an effective grant maker in the Finsbury area. It will also continue to review the composition of the trustee body, to ensure that it reflects the scope of grant making.

Signed on behalf of the Trustees:

A handwritten signature in black ink that reads "David Hyams". The signature is written in a cursive style with a large, looped initial 'D'.

Approved by the Trustees on 21st June 2010

Independent examiner's report on the accounts of Finsbury Educational Foundation

For the year ended 31 December 2009

I report on the accounts set out on pages 9 & 10

This is a non-statutory independent examination

Respective responsibilities of the Management Committee and the examiner

As the management committee you are responsible for the preparation of the accounts. It is my responsibility to state whether matters have come to my attention.

Basis of independent examiner's report

An examination includes a review of the accounting records kept by the organisation and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Committee members concerning such matters.

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

1) which gives me reasonable cause to believe that in any material respect the requirements;

- to keep appropriate accounting records; and
- to prepare accounts which accord with the accounting records

Have not been met; or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed : 

Name : Tom Sterry MBE AFA

Date:.....21.6.10.....

TMS Business Associates Limited
21 Chestnut Avenue
Billericay
Essex CM12 9JF

Notes to the accounts 31 December 2009

		Unrestricted			
	Permanent Endow- ment Fund £	Accumu- lated Income Fund £	Designa- ted Funds £	Total 2009 £	Total 2008 £
	Notes	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Investment income					
. Dividends	-	21,627	-	21,627	21,447
Bank and deposit interest	-	528	-	528	3,843
Total incoming resources		22,155	-	22,155	25,290
Resources expended					
Charitable activities					
. Grants payable	1	-	21,500	-	21,500
Governance costs					
. Auditors' remuneration		-	250	-	250
. Administration charges		-	3,200	-	3,200
Total resources expended		-	24,950	-	16,777
Net (outgoing)/incoming resources before transfers		-	(2,795)	-	8,513
Gross transfer between funds		-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		-	(2,795)	-	8,513
Gains on the revaluation and disposal of investments	4	25,991	-	88,023	114,014
Net movement in funds	11	25,991	(2,795)	88,023	111,219
Reconciliation of funds					
Balances brought forward					
At 1 January 2009		266,555	59,342	405,270	731,167
Balances carried forward					
At 31 December 2009		292,546	56,547	493,293	842,386

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charity's activities derived from the continuing operations during the above two financial periods.

Balance sheet 31 December 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed asset investments					
Investments	4		815,608		701,594
					701,594
Current assets					
Debtors	5	5,472		5,502	
Cash at bank	6	23,056		24,321	
		28,528		29,823	
Creditors: amounts falling due within one year	7	1,750		250	
Net current assets			26,778		29,573
Total assets less current liabilities			842,387		731,167
Total net assets			842,386		731,167
Represented by:					
Funds and reserves					
Permanent Endowment Fund	8		292,546		266,555
Unrestricted funds					
. Accumulated Income Fund			56,547		59,342
. Rental Replacement fund	9		302,836		232,926
. Continuity of Grants Reserve fund	9		190,457		172,344
			842,386		731,167

Approved by the Trustees
and signed on their behalf by:

David Hyams

Approved on 21st June 2010

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of leasehold property and the inclusion of investments at market value and in accordance with the requirements of the Charities Act 1993. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these accounts. Certain prior year figures have been re-stated to comply with SORP 2005 requirements.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are credited to the statement of financial activities in the year in which they are received.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. Grants payable to organisations and individuals are accounted for when approved by the Trustees.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:
 - Direct project expenditure
 - Staff costs
 - Other office costs
- c. Governance costs are costs associated with the governance of the charity and its assets. Included within this category are costs associated with the strategic, as opposed to day to day, management of the charity's activities.

Principal accounting policies 31 December 2009

Provision for loss of rental income

In February 2007 rental income from the lease of 8 Dallington Street, London EC1 ceased. Accumulated income shares were purchased to replace this income.

Investments

Investments are included on the balance sheet at their market value at the end of the financial period. The change in market value shown in the accounts is the amount of unrealised gains on investments held at the balance sheet date compared with their market value at 31 December 2009 or subsequent cost of acquisition. Investment income is credited to the statement of financial activities on an accruals basis.

Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

1 Grants

	2009 £	2008 £
Grants to organisations		
LSO Discovery Project	21,500	20,000
CEA@Islington	-	500
	<u>21,500</u>	<u>20,500</u>
Less: Grants written back	-	(7,093)
Total of grants to organisations	<u>21,500</u>	<u>13,407</u>

2 Transactions with Trustees

There have been no transactions with Trustees during the year (2008 - £nil). No Trustees received remuneration in respect of their services (2008 - £nil), and no travelling or entertaining expenses were reimbursed. The charity had no direct employees in the year (2008 – nil).

3 Taxation

The Foundation is a registered charity and therefore is not liable for income tax or capital gains tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

4 Investments

	Endowment Fund £	Accumulated Income Fund £	Designated Funds £	Total 2009 £	Total 2008 £
Market value					
1 January 2009	266,555	29,769	405,270	701,594	881,079
Additions	-	-	-	-	29,000
Disposal proceeds	-	-	-	-	-
Realised (losses)	-	-	-	-	-
Transfers between funds	-	-	-	-	-
Unrealised gains	25,991	-	88,023	114,014	(208,485)
31 December 2009	<u>292,546</u>	<u>29,769</u>	<u>493,293</u>	<u>815,608</u>	<u>701,594</u>

Listed investments held at 31 December 2009 comprised the following:

	Endowment Fund £	Accumulated Income and Designated Funds £	Total 2009 £	%	Total 2008 £	%
CBFCE						
Investment Fund shares	38,556	41,199	79,755	9.8	72,947	10.4
CAF						
Charities Balanced Growth	20,513	24,320	44,833	5.5	36,605	5.2
COIF						
Charities Investment Fund						
Income shares	233,477	124,938	358,415	43.9	329,347	46.9
COIF						
Charities Deposit Fund		29,769	29,769	3.6	29,769	4.2
Schroder						
Charity Equity Fund		302,836	302,836	37.1	232,926	33.2
	<u>292,546</u>	<u>523,062</u>	<u>815,608</u>	100.0	<u>701,594</u>	<u>100.0</u>
Cost value attributable to the above	<u>240,193</u>	<u>361,184</u>	<u>601,377</u>		<u>601,377</u>	

5 Debtors

	2009 £	2008 £
Accrued income	5,472	5,502
	<u>5,472</u>	<u>5,502</u>

6 Cash at bank

	2009 £	2008 £
Current account	23,056	24,321
	<u>23,056</u>	<u>24,321</u>

7 Creditors: amounts falling due within one year

	2009 £	2008 £
Accruals	250	250
Grant creditor	1,500	-
	<u>1,750</u>	<u>250</u>

8 Endowment fund

This fund is the permanent endowment of the Foundation and represents the unexpendable assets donated by the original benefactors. Its income is used to make grants for the promotion of the education of beneficiaries.

	At 1 January 2009 £	New designations £	Realised & unrealised gains and transfers £	At 31 December 2009 £
Permanent endowment fund	266,555	-	25,991	292,546
	266,555	-	25,991	292,546

9 Designated Funds

	At 1 January 2009 £	New designations £	Realised & unrealised gains £	At 31 December 2009 £
Rental Replacement fund	232,926	-	69,910	302,836
Continuity of Grants Reserve fund	172,344	-	18,113	190,457
	405,270	-	88,023	493,293

- ◆ Rental Replacement Fund
This fund comprises monies set aside by the Trustees to help compensate for the loss of rental income in 2007.
- ◆ Continuity of Grants Reserve Fund
This fund represents monies set aside by the Trustees to provide a regular source of funds to enable the Foundation to make grants to beneficiaries and to continue this work in the years ahead.

10 Connected charity and related party transactions

Cripplegate Foundation, a grant giving trust, provides administration services to FEF. Cripplegate Foundation has its own grant making programme for individuals, covering an Area of Benefit which includes the former Metropolitan Borough of Finsbury.

During the year Cripplegate Foundation received administration income of £3,200 (2008 - £3,100) from Finsbury Educational Foundation. The address of Cripplegate Foundation is 76 Central Street, London EC1V 8AG.

There were no other related party transactions during the year (2008 – none).

11 Analysis of net assets between funds

	Endowment Fund £	Accumulated Income Fund £	Designated Funds £	Total £
Fund balances at 31 December 2009 are represented by:				
Fixed assets				
. Investments	292,546	29,769	493,293	815,608
Net current assets		26,778	-	26,778
Total net assets	292,546	56,547	493,293	842,386
Reconciliation of movement in:				
Funds and reserves				
Funds as at 1 January 2009	266,555	59,342	405,270	731,167
Changes in market value of investments	25,991	-	88,023	114,014
Surplus transferred to Accumulated Income Fund		(2,795)	-	(2,795)
Funds as at 31 December 2009	292,546	56,547	493,293	842,386