

St Paul's Schools Foundation



Trustee's Annual Report & Financial Statements 2023

Charity Commission Number 312749

Foreword

The St Paul's Schools Foundation (the Charity) is responsible today for Dean John Colet's original endowment, created in 1509, for the establishment of St Paul's School. Until 2007, the Charity was responsible for St Paul's School and St Paul's Girls' School. In 2007, each of St Paul's School and St Paul's Girls' School were established as separate registered charities in their own right.

Today, the Charity continues to benefit students at these two schools, whilst also supporting education for boys and girls across Greater London through grant making. Over the past year the Charity has maintained its grant-making programme.

CONTENTS

Foreword	2
Trustee's Annual Report for the year ended 31 March 2023	5
Objects and activities for public benefit	5
Grants Overview	6
Grants Impact	8
Funding Approach	8
Financial Review	9
Funding Sources	9
Investments	9
Results for the year	10
Financial position	10
Fundraising	10
Investment policy	10
Risk management	11
Reserves policy	11
Structure, governance and management	11
Our volunteers	13
Related parties	13
Future Plans	13
Trustee's responsibilities in relation to the financial statements	14
Independent Auditor's Report	15
Statement of Financial Activities for the year ended 31 March 2023	20
Statement of Financial Activities for the year ended 31 March 2022	21
Balance Sheet as at 31 March 2023	22

Statement of Cash Flows for the year ended 31 March 2023	23
Notes to the financial statements	24
1 Accounting Policies	24
2 Income	26
3 Expenditure	26
4 Tangible Assets	27
5 Investment Properties	28
6 Quoted Investments	28
7 Debtors	29
8 Creditors: Amounts Falling Due Within One Year	29
9 Analysis of Funds	29
10 Grant Commitments	31
11 Related Parties and Connected Charities	31
12 Reconciliation of Net Expenditure/(Income) To Net Cash Flow Used In Operating Activities	32
13 Grants	33
Legal & Administrative Information	34

Trustee's Annual Report for the year ended 31 March 2023

The Mercers' Company, the Trustee of the Charity, presents its report and audited financial statements for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Scheme of Management, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objects and activities for public benefit

The object of the Charity is:

to promote in Greater London the education (including social and physical training) for boys and girls and in particular but without prejudice to the generality of the foregoing to assist in the conduct and maintenance of schools in or near to Greater London for boys and girls.

The Scheme provides as follows:

Application of Income

Subject to payment of the expenses aforesaid the trustee shall apply the income of the charity in the following ways and order of priority:-

in providing the yearly Apposition Dinner;

in applying a yearly sum of not more than £750 or such other sum as the trustee may from time to time determine in such charitable purposes as the trustee shall in its absolute discretion think fit with Greater London;

in making payment to either School on application by the same to be applied for the purposes of the Schools;

if insofar as income is not required as aforesaid the trustee may apply the same as its discretion to promote in Greater London the education of boys and girls in furtherance of the object of the charity.

The Trustee confirms that it has complied with its duty under Section 17 Charities Act 2011 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and in setting the grant making policy for the year.

Grants Overview

The Charity is one of several charities that contribute to the people-based Philanthropy Framework co-ordinated by the Trustee, which has **three major grant-making programmes**. This framework reflects the intentions of the participating charities' benefactors. The programmes aim to tackle disadvantage by focusing on individuals, families, and communities and supporting organisations that help people to reach their potential in several ways including: by inspiring a love of learning; strengthening self-belief and wellbeing; and creating opportunities to live a balanced, rewarding and varied life.

The Charity contributes to the **Young People & Education programme**. This programme has several interrelated strands of work. There are three Special Initiatives: Early Years (reducing the attainment gap), supporting the Transition from Secondary Education to work or a positive destination and Literacy (supporting disadvantaged children to read and write for pleasure to change lives). The programme funds work to improve young people's mental health and wellbeing and to promote School Leadership. There is also a programme part-funded by the Charity which can be accessed by the Schools and Colleges associated with the Trustee.

In addition to funding through the programme, the current grant-making policy is to make funds available for: Bursaries for disadvantaged pupils who would not otherwise attend St Paul's Girls' School and St Paul's School, and other ad-hoc grant requests aligned to the Young People & Education programme from schools/organisations/charities which promote the education of boys and girls within Greater London.

At the time of application, grantees submit a plan for how they will evaluate the success of their work. Each of the grants awarded are monitored through annual progress reports (which include an update on how they are progressing towards achieving the outcomes set at the time of application) as well as other material supplied by grantees such as videos and external impact reports. These formal reports are supplemented by informal conversations with grantees throughout the year.

Associated Schools and Colleges

Where? support is given to the following London schools: Holy Trinity and St Silas CofE Primary School, Culloden Primary School, The Hall School, Bute House School, Hammersmith Academy, The Royal Ballet School, St Paul's School and St Paul's Girls School

Who? Young people aged 3 to 18 years

Through the programme each school or college can apply for funding for up to two projects for £25,000 per year, for up to three years. The grants are for work that is aligned with one of the

Young People & Education programme's other strands. Five associated schools and colleges are part way through their existing multi-year grant awards; no new grants were awarded in 2022/23.

The Trustee is pleased with the current progress of the live projects.



Spotlight grantees

Culloden Primary Academy (a Paradigm Academy) – received ongoing funding towards a full-time Mental Health and Wellbeing Learning Mentor to support the Early Years and the transition to formal education. Representatives of the Trustee visited the school during the year to meet the Learning Mentors and hear about the work being undertaken.

Other ad-hoc requests

Where? Greater London

Who? schools/organisations/charities which promote the education of boys and girls

One single year grant was awarded at a total of **£47,443** to [Gresham College](#) towards an Outreach Pilot. This is helping the College expand its reach to disadvantaged young people in London Schools. It will ensure the College's academic offer reaches the young people who will benefit most, whilst also establishing an evidence base for sustaining outreach activities with schools over the longer term.

In 2021/22 **Hammersmith Academy** was awarded a grant of £120,000 towards preliminary fees to enable the academy to start work on its capital expansion project. The project has progressed during 2022/23 and the Academy is due to submit its plans for development to the local authority in 2023/24.

Bursaries

Where? St Paul's School and St Paul's Girls School

Who? disadvantaged pupils who would not otherwise attend St Paul's Girls' School and St Paul's School

Grants Impact

The Young People & Education programme understands the importance of engaging expert organisations who can work with grantees to help them reflect on their work and practices and to provide opportunities and recommendations for improving leadership, systems, policies and practice.

The Trustee has worked closely with the associated schools and colleges to ensure that they learn from each other. The Trustee appointed the [Anna Freud Centre for Children and Families \(AFC\)](#) as its learning/ research partner for its Mental Health & Wellbeing programme between 2016 and 2022. A number of the in-school projects supported through that programme have been funded by the Charity. The role of the learning/ research partner was to support the schools to be aware of mental health and wellbeing in their settings and put in place a cross-school programme to deliver support. In October 2022, the [final evaluation report was published](#) which included reports on what was learnt, and briefings that have been developed to support schools, pupils, and parents to better understand what they can do to help themselves and each other.

The Associated Schools and Colleges, in common with the wider education sector, have all faced challenges due to the lasting effects of lockdown measures on pupils' learning and mental health and wellbeing. Much research has been done on the loss of learning particularly among the most disadvantaged students. This confirms that the Charity's support of mental health and wellbeing roles in schools remains necessary.

Funding Approach

The Philanthropy Framework coordinated by the Trustee goes beyond supporting our grant holders financially, we also support organisations in a number of ways to strengthen and improve their resilience by providing access to training and support provided by expert organisations such as the Cranfield Trust and Media Trust. This approach is known as high engagement funding or Funder Plus.

As well as being a living wage employer, the Trustee is committed that the charities of which it is trustee should be a Living Wage Funder, helping to encourage organisations to pay their staff the real living wage. In 2022 the Trustee signed up to the Institute of Voluntary Action Research (IVAR) eight principles of open and trusting grant making and the Trustee's approach is set out on the IVAR website. There is regular review by IVAR as to whether funders are meeting their aims. The Trustee is pleased to join a community of committed and flexible grant makers to the organisations we support.



The Charity's grants are published on 360 Giving, which aims to promote transparency in grantmaking and provide useful data to grantees about which funders fund what.

This partnership approach is increasingly recognised as good practice and has been commented upon by grantees as welcome.

Financial Review

Funding Sources

The Charity generates income primarily from its own sources through:

	2023	2022
	£	£
Property investments	220,000	219,000
Stock market investments	662,000	537,000

Investments

Investment property

An external valuation of the properties was undertaken in 2021 and revaluation gains of £1,000,000 were recognised in that year. No external revaluation was undertaken this year.

Listed investments

Total net losses of £1,310,000 on stock market investments were experienced in the year (2022: £1,028,000 gains). The losses experienced during the year were due to a continuation of the Ukrainian conflict, the energy crisis, global contraction in growth, and high UK inflation. The primary comparator for investment performance is linked to inflation. With inflation increasing, the portfolios both performed below the primary comparator during the year. The Trustee continues to monitor the performance of the portfolios and the market.

Investment Fund	1 year	3 years	5 years
Endowment Fund	-3.8%	36.8%	29.6%
General Investment Fund	-2.9%	42.3%	-
Primary Comparator: CPI + 4%	14.8%	32.4%	48.3%
Secondary Comparator: Composite Index	-0.8%	34.5%	31.0%

Results for the year

Total income for the year was £882,000 (2022: £796,000); total expenditure for the year was £544,000 (2022: £609,000) and net losses on investments were £1,310,000 (2022: £1,028,000 gains) resulting in net expenditure for the year of £972,000 (2022: £1,215,000 net income).

Financial position

Net assets at the end of the year were £30,549,000 (2022: £31,521,000). These were represented by endowment funds of £21,728,000 (2022: £22,702,000), and unrestricted funds of £8,821,000 (2022: £8,819,000).

Fundraising

The Charity does not conduct any fundraising activity.

Investment policy

In accordance with the Scheme, the Trustee has the power to invest in such stocks, shares, and property as needed to meet the objectives of the Charity. The Trustee reviewed the investment policy during the year and a revised policy was implemented from 1 July 2023. The investment objective is for a rising level of income together with preserving the long-term real value of the investments. The investment performance of stock market investments is compared against relevant benchmarks.

The Charity has a policy of responsible investment, positively screening to ensure that it invests in companies that can demonstrate socially responsible values and sustainable growth, and negatively screening companies or sectors that are not in line with the charitable objects of the Charity to relieve those in poverty. The following areas are excluded from our investments:

- High interest lending
- Tobacco
- Gambling
- Pornography

From July 2023, the investment policy includes objectives to move towards net zero investments and actively engage and encourage organisations in climate change adaptation.

The Trustee is satisfied that its policy and objective is being met.

Risk management

The Trustee acknowledges its responsibility for the management of risks faced by the Charity. A review is undertaken regularly by the Trustee to identify, assess and mitigate those risks.

The Trustee, in considering the governance, management, operational, financial and environmental risks, is satisfied, that there is no material exposure and that there are procedures in place to mitigate such risks.

The Trustee has agreed clear lines of delegation and authority and the Trustee and its staff are involved in the recognition of risk in all their activities.

The principal risk faced by the Charity lies in the loss of asset value and performance of investments, mitigated by the regular review of the valuation by the Trustee's executive team and, where needed, reforecasting of budgets.

Reserves policy

The reserves of the Charity comprise the unrestricted funds and amounted to £8,821,000 in 2023 (2022: £8,819,000).

Reserves are carried forward with the intention of:

- Committed grants £325,000.
- Grant making reserve of one year of Committee grants not already included above £817,000

As per the policy, the reserve required amounts to £1,142,000, compared to actual free reserves of £8,821,000, exceeding the target by £7,675,000. The Trustee is planning the utilisation of the excess reserves in coming years for its grant making programme.

The Trustee reviews the policy annually.

Structure, governance and management

The Wardens and Commonalty of the Mystery of Mercers of the City of London (more commonly known as The Mercers' Company), which is a body corporate formed by Royal Charter in 1394, is the Trustee of the Charity and is the controlling party. The Mercers' Company's governing body is the Court of Assistants. The Master Mercer was CJ Vermont until July 2022, NAH Fenwick until July 2023, and PLR Lane from July 2023. The Clerk to the Mercers' Company is RM Abernethy.

The Mercers' Company acts as trustee for several charities and has established a governance committee for each charity. The members of the Charity's Governance Committee are:

Mr MCL Aspinall (Chairman to 31 August 2023)

Mrs XV Dennen (Chairman from 1 September 2023)

Mr CC Scott

Mr RC Cunis JP

The Charity Governance Committee reviewed the Charity's grant making strategy, investment policy and reserves policy in 2022/23.

The Charity's Governance Committee also delegated certain matters to a number of the Trustee's specialist committees:

Function	Delegated Body
Grant making	Young People & Education Committee
Oversight of investment property	Property Committee
Oversight of investment management	Investment Committee
Overview of risks and financial management	Audit Committee

The Charity is supported by the staff of the Mercers' Company, who are appropriately trained and qualified. These administrative services are provided under a service agreement. The following members of the Mercers' Company's senior management are involved in the provision of services:

Mr RM Abernethy (Clerk to the Mercers' Company)

Ms SMA Hedley-Dent (Deputy Clerk to The Mercers' Company)

Mr JRA Christie (Finance Director)

The Standard & Appointments Committee meets on a regular basis to keep the skills and composition of the committees and succession planning under review and, where needed, to recruit new members for their experience, empathy and knowledge in charity matters.

The Trustee applies the principles of the Charity Governance Code so far as is possible given that it is sole corporate trustee. The Trustee has undertaken a self-assessment against the Charity Governance Code in 2021 and has identified areas in which it can further improve its practice to reflect the Governance Code principles. In addition, the Trustee has completed the checklist for a charity working with a non-charity and has concluded that the relationship between the Charity and the Trustee is in the Charity's best interests.

Our volunteers

The Charity relies on members of The Mercers' Company volunteering their time to sit on committees, review grant requests, visit applicants and grantees, and attend events involving beneficiaries. In keeping with recommended practice, an estimate of the numbers of hours that Committee members give to the Charity free of charge during the year has been undertaken resulting in approximately 57 hours of voluntary time.

Related parties

The Charity works closely with the Trustee and the other charities with which the Trustee is involved. Details of related parties and connected charities are given in note 11 of the financial statements

Future Plans

During 2022/23 a review of the collaborative **Philanthropy Framework** was undertaken. A refreshed five-year Framework was agreed by the Trustee in November 2022 and will be in place from 1 April 2023 and run until 31 March 2028.

Measuring the impact of the collaborative framework and impact made by the contributing charities is of utmost importance to the Trustee and us. The Trustee has developed an **Impact Framework** to run alongside the refreshed collaborative Philanthropy Framework. Over the next five years, data and evidence will be collated to enable us to report in future years on three common impact measures: **Improving people's lives; Stronger Organisations; Contributing to societal change.**

During 2022/23 the Trustee reviewed the Charity's strategic framework and agreed that it would keep funding the **Young People & Education Committee**. The focus going forward will be on **Helping young people to improve their life chances through the three special initiatives**: Early Years, Literacy and Transitions from Secondary Education; **Supporting the Mental Health & Wellbeing of young people** via strategic work with the Associated Schools & Colleges (ASCs), research partners, and community organisations which work with young people experiencing severe disadvantage; **Strengthening the organisations supporting young people**, through capacity building and research partners and the School Leadership programme. The Apposition Dinner was held in early September 2022 for the 2022 leavers from the two St Paul's Schools, and September 2023 for 2023 leavers.

Trustee's responsibilities in relation to the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

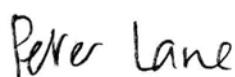
The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, 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 Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations. The Trustee is 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.

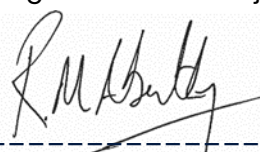
The Trustee is responsible for the maintenance and integrity of the Charity's financial information included on the Trustee's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Mr PLR Lane

Master

16 November 2023



Mr RM Abernethy

Clerk to the Mercers' Company

Independent Auditor's Report

TO THE TRUSTEE OF ST PAUL'S SCHOOLS FOUNDATION

We have audited the financial statements of St Paul's Schools Foundation (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements which include the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the Charity through discussions with those charged with governance and management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 and the financial reporting framework referred to above; and
- ◆ we understood how the Charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ performed substantive testing of expenditure including testing the authorisation thereof; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's Trustee, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to it 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 and the Charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



17 November 2023

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 31 March 2023

	Note	31 March 2023				31 March 2022
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000
Income						
Donations and legacies	2	-	-	-	-	40
Investments	2	882	-	-	882	756
Total income		882	-	-	882	796
Expenditure						
<i>Raising funds</i>						
Investment management costs	3	(45)	-	(41)	(86)	(74)
<i>Charitable activities</i>	3, 13	(458)	-	-	(458)	(535)
Total expenditure		(503)	-	(41)	(544)	(609)
(Losses)/gains on investments	6	(377)	-	(933)	(1,310)	1,028
Net income/(expenditure) and net movement in funds		2	-	(974)	(972)	1,215
Fund balances brought forward at 1 April		8,819	-	22,702	31,521	30,306
Fund balances carried forward at 31 March		8,821	-	21,728	30,549	31,251

All of the Charity's activities are derived from continuing operations. There are no recognised gains or losses other than those disclosed above.

Statement of Financial Activities for the year ended 31 March 2022

	Note	31 March 2022			Total Funds £'000
		Unrestricted Funds	Restricted Funds	Endowment Funds	
		£'000	£'000	£'000	
Income					
Donations and legacies	2	-	40	-	40
Investments	2	756	-	-	756
Total income		756	40	-	796
Expenditure					
<i>Raising funds</i>					
Investment management costs	3	(29)	-	(45)	(74)
<i>Charitable activities</i>	3	(428)	(107)	-	(535)
Total expenditure		(457)	(107)	(45)	(609)
Gains on investments		451	-	577	1,028
Net income/(expenditure) and net movement in funds		750	(67)	532	1,215
Fund balances brought forward at 1 April		8,069	67	22,170	30,306
Fund balances carried forward at 31 March		8,819	-	22,702	31,251

All of the Charity's activities are derived from continuing operations. There are no recognised gains or losses other than those disclosed above.

Balance Sheet as at 31 March 2023

	Note	31 March 2023		31 March 2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	4	3,609		3,609	
Investment properties	5	4,538		4,538	
Quoted Investments	6	20,681		21,864	
Total fixed assets			28,828		30,011
Current assets					
Debtors	7	89		51	
Cash on deposit		308		308	
Cash at bank and in hand	12	1,454		1,231	
Total current assets			1,851		1,590
Creditors: amounts falling due within one year	8		(130)		(80)
Net current assets			1,721		1,510
Total net assets			30,549		31,521
The funds of the Charity:					
Endowment funds	9		21,728		22,702
Unrestricted income funds	9		8,821		8,819
Total charity funds	9		30,549		31,521

The attached notes on pages 24 to 34 form an integral part of these financial statements. The financial statements on pages 20 to 34 were approved by the Trustee on 16 November 2023 and signed on its behalf by:

Peter Lane

Mr PLR Lane
Master

16 November 2023

R.M. Abernethy

Mr RM Abernethy
Clerk to the Mercers' Company

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities	12	(293)	(241)
Cash flows from investing activities:			
Dividends received		623	535
Interest received		20	-
Purchase of investments		(4,638)	(4,857)
Decrease in cash held by investment managers		182	73
Proceeds from the sale of investments		4,329	4,705
Net cash provided by investing activities		516	456
Change in cash and cash equivalents in the financial year		223	215
Cash and cash equivalents at the beginning of the financial year		1,539	1,324
Cash and cash equivalents at the end of the financial year	12	1,762	1,539

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movements in net cash (debt).

Notes to the financial statements

1 Accounting Policies

ACCOUNTING BASIS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the SORP (FRS 102) rather than the previous withdrawn version which it replaced.

The Charity constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances prevailing. The main estimate and judgement relates to the investment property valuations.

INCOME

All income, comprising donations, rents and service charges generated from investment properties, interest on bank accounts and dividends from investment funds is reported on an accruals basis, when the Charity has entitlement, receipt is probable and the amount can be measured with sufficient reliability. Income relating to a subsequent financial year is carried forward as a creditor in the balance sheet and shown as deferred income.

EXPENDITURE

All expenditure is included on an accruals basis and is recognised as soon as there is a legal or constructive obligation committing the Charity to it, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is included with the underlying expense and charged to the Statement of Financial Activities (SOFA) as incurred. Support costs relate to staff time and facility costs incurred by the Mercers' Company on behalf of the Charity and are allocated to the Charity on an accruals basis. Support costs have been allocated between activities based on estimated breakdowns of staff time and grant making activity. This includes time spent on the governance arrangements relating to the general running of the Charity.

GRANTS

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

INVESTMENT GAINS AND LOSSES

Unrealised gains and losses for the year reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward (or cost if acquired in the year). Unrealised and realised investment gains or losses are shown net on the SOFA.

INVESTMENTS

Investments are stated at their fair value at the balance sheet date. Investment properties are re-valued externally every five years and internally by the Trustee in intervening years. The Trustee is of the opinion that this valuation is appropriate for the purpose of these financial statements. Cash held by investment managers is recognised as part of investments.

TANGIBLE FIXED ASSETS

Tangible fixed assets represent the reversionary interest in the land at the two St Paul's Schools and land purchased during the year ended 31 August 2009. No depreciation is provided on land.

TAXATION

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. Accordingly, no provision is made for current or deferred taxation.

FUNDS

The Charity has two types of funds:

- ▲ Endowment - where the capital is held in perpetuity to generate unrestricted distributable income;
 - ▲ Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the Charity.
-

FINANCIAL INSTRUMENTS

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, except for investments which are measured at fair value.

2 Income

Investment income was generated as follows:

	2023	2022
	£'000	£'000
Rents from investment properties	220	219
Dividend income from endowment fund	444	389
Dividend income from general investment fund	194	148
Interest	24	-
	882	756

During 2023, a restricted legacy was received by the Charity amounting to £33 (2021: £40,000).

3 Expenditure

a) *Analysis of total expenditure:*

	Further	Grant	Governance	Other	Total	Total
	notes	making	& Support	direct	2023	2022
		£'000	costs	costs	£'000	£'000
			£'000	£'000		£'000
Investment management costs		-	3	83	86	74
Charitable activities	13	382	61	15	458	535
		382	64	98	544	609

	Grant	Governance	Other	Total
	making	& Support	direct	2022
	£'000	costs	costs	£'000
		£'000	£'000	£'000
Investment management costs	-	3	71	74
Charitable activities	481	53	1	535
	481	56	72	609

b) Analysis of governance and support costs:

	Basis of apportionment	Raising funds £'000	Charitable activities £'000	Total 2023 £'000	Total 2022 £'000
Staff costs	Staff time	3	43	46	41
Office administration	Staff time	-	6	6	4
Audit fees	Expenditure	-	12	12	11
		3	61	64	56

	Basis of apportionment	Raising funds £'000	Charitable activities £'000	Total 2022 £'000
Staff costs	Staff time	3	38	41
Office administration	Staff time	-	4	4
Audit fees	Expenditure	-	11	11
		3	53	56

The Charity has no employees (2022: nil). The Mercers' Company, by way of a services agreement, provides staff and facilities to the Charity. There were no directly employed staff during the year (2022: nil). The Trustee has not received any emoluments or reimbursements during the year for services as a Trustee (2022: nil). No Trustee indemnity insurance costs have been paid by the Charity (2022: nil). £10,200 (excluding irrecoverable VAT) (2022: £9,375) was charged to the SOFA for audit fees.

4 Tangible Assets

	2023 £'000	2022 £'000
Reversionary interest of land at St Paul's School, St Paul's Girls' School and Bute House Preparatory School for Girls	100	100
Freehold and leasehold interest in land at St Paul's School	3,509	3,509
	3,609	3,609

The operating land was leased to St Paul's School and St Paul's Girls' School on 1 September 2007 for 125 years at a rent of £1,000 per annum each, and at Bute House Preparatory School for Girls on 25 December 1997 for 125 years. As a consequence, their reversionary interest was valued at £100,000.

In 2009, freehold and leasehold interests in land were purchased at St Paul's School. The duties, obligations and responsibilities of the Schools as tenants of the Charity are defined by the terms of leases. As freeholder, any alterations to buildings at the Schools must be in accordance with the associated lease and approved by the Charity.

The net book values shown do not represent current open market valuations.

5 Investment Properties

The Charity's investment properties are as follows:

	1 April and 31 March 2023 £'000
Freehold property at market value	4,538
Historical cost	315

A full external valuation was done on 31 March 2021 by CBRE Limited, who are a qualified independent firm of surveyors. No external valuation was carried out this year; the Trustee undertook an internal valuation and considers that these values continue to be fair and reasonable. There was no revaluation gain in the years ended 31 March 2022 or 31 March 2023.

6 Quoted Investments

The changes during the year analysed by fund are as follows:

	1 April 2022 £'000	Purchases £'000	Sales £'000	Movement in cash £'000	Revaluation losses £'000	31 March 2023 £'000
General Investment Fund	7,293	1,884	(1,792)	(98)	(202)	7,085
Endowment Fund	14,571	2,754	(2,997)	(84)	(648)	13,596
	21,864	4,638	(4,789)	(182)	(850)	20,681
Historical cost	17,369					17,956

The investment allocation at the year end was as follows:

	2023 £'000	%
UK Equities	9,290	44.9
Overseas Equities	7,970	38.5
Fixed Income	1,686	8.2
Alternatives	1,472	7.1
Cash	263	1.3
Total	20,681	100.0

No individual holding was more than 5% of total investments. Net investment losses during the year on quoted investments totalled £1,310,000 (2022: £1,028,000 gains).

7 Debtors

Debtors are made up as follows:

	2023	2022
	£'000	£'000
Rent and service charges receivable	53	34
Dividends receivable	29	14
Prepayments and accrued income	7	3
	89	51

8 Creditors: Amounts Falling Due Within One Year

Creditors are amounts falling due within one year and are made up as follows:

	2023	2022
	£'000	£'000
Rent received in advance	52	52
Other creditors	78	28
	130	80

9 Analysis of Funds

Restricted Funds

Two restricted legacies were received during 2021, both for the use of St Paul's School. The first for £200,000 was paid to St Paul's School during 2021, the second for £66,667, notified in March 2021 and received after the 2021 year end, was disclosed as a restricted fund as at 31 March 2021. An additional restricted legacy received in 2022 of £40,000 was paid to St Paul's School along with the £66,667. No legacies were received in 2023.

Endowment Funds

The endowment funds were established at the time the Charity was created. The Charity was endowed by John Colet, Dean of St Paul's, in 1509 on the founding of the St Paul's School. The investments are held to generate income and are applied in furtherance of the Charity's objects.

The net assets by funds are as follows:

	Unrestricted funds £'000	Endowment funds £'000	2023 Total funds £'000
Tangible assets	-	3,609	3,609
Investment properties	-	4,538	4,538
Quoted investments	7,085	13,596	20,681
Net current assets/(liabilities)	1,736	(15)	1,721
	8,821	21,728	30,549

	Unrestricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Tangible assets	-	3,609	3,609
Investment properties	-	4,538	4,538
Quoted investments	7,293	14,571	21,864
Net current assets/(liabilities)	1,526	(16)	1,510
	8,819	22,702	31,521

10 Grant Commitments

Grant commitments, subject to various conditions, as follows:

	2024	2025
	£	£
Bute House Preparatory School for Girls	25,000	25,000
Holy Trinity & St Silas C E Primary School	50,000	-
Royal Ballet School	25,000	-
St Paul's Girls' School – bursaries	50,000	-
St Paul's School – bursaries	50,000	50,000
	200,000	75,000

11 Related Parties and Connected Charities

The following related parties and charities have common management and are therefore regarded as connected:

Becket House Limited (dormant)
 Charity of Sir Richard Whittington
 Charter 600 Charity
 Earl of Northampton's Charity
 Longacre Estates Limited (dormant)
 Longmartin Properties Limited
 Maiden Trading Limited (dormant)
 Mercers' Company Housing Association
 Mercers' School Memorial Trust (incorporating The Merrett Bequest)
 The Mercers' Charitable Foundation
 The Mercers' Company

The principal address of the above entities is:

6 Frederick's Place
 London EC2R 8AB

Transactions with related parties where The Mercers' Company is sole member, nominates governors, appoints governors to the entity or there is common management and so are considered connected are as follows:

Entity	2023 £	2022 £
Grants to St Paul's School	90,033	146,474
Grants to St Paul's Girls' School	125,000	25,000
Grant to Holy Trinity and St Silas C E Primary School	50,000	-
Grants to Hammersmith Academy Trust	-	140,000
Grant to Culloden Primary School – an Academy	75,000	75,000
Grant to Royal Ballet School	25,000	25,000
Rent charged to St Paul's School	1,000	1,000
Rent charged to St Paul's Girls' School	1,000	1,000
Rent charged to Bute House Preparatory School for Girls Limited	83,500	83,500
Administration costs allocated by The Mercers' Company (note 3)	52,734	45,103

Of the Mercers' Company allocated administrative costs of £52,734, £10,839 was due to the Company at the balance sheet date (2022: nil). There were no other related party transactions requiring disclosure (2022: none).

12 Reconciliation of Net Expenditure/(Income) To Net Cash Flow Used In Operating Activities

	2023 £'000	2022 £'000
Net (expenditure)/income for the reporting year (as per statement of financial activities)	(972)	1,215
Adjustments for:		
Losses/(gains) on investments	1,310	(1,028)
Interest receivable	(24)	-
Dividends receivable	(638)	(537)
Change in debtors	(19)	109
Change in creditors	50	-
Net cash used in operating activities	(293)	(241)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	1,454	1,231
Cash on deposit	308	308
Total cash and cash equivalents	1,762	1,540

13 Grants

Listed below are all charitable grants made during the year for the promotion of education:

	2023
	£
Classical Road Show	20,000
Culloden Primary School - A Paradigm Academy	25,000
Gresham College	47,443
Holy Trinity & St Silas C E Primary School	50,000
Royal Ballet School	25,000
St Paul's Girls' School	125,000
St Paul's School	90,033
Total grant making (2022: £481,317)	382,476

Legal & Administrative Information

LEGAL STATUS

The Charity has registered number 312749 and is regulated by a Scheme of the Charity Commissioners dated 28 August 2007, having replaced the previous scheme of October 1995.

PRINCIPAL ADDRESS

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