

Registered Charity Number 1095238

Hackney Free and Parochial Schools Educational Trust

Annual Report and Financial Statements

For the year ended 5 April 2021

Unaudited

Hackney Free and Parochial Schools
Educational Trust

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Hackney Free and Parochial Schools
Educational Trust
Trust Information for Year Ended 5 April 2021

Trustees;

P S Harvey
D J Horder
L M Horder
S Hase
Reverend A Gordon
Reverend M Nelson
C Reeves

Principal Office and Administration;

The Trust Partnership (Foundations) Ltd
6 Trull Farm Buildings
Tetbury
Gloucestershire
GL8 8SQ

Bankers;

Barclays Bank plc
1 Churchill Place
London E14 5HP

Independent Examiner;

Dunkley's
Woodlands Grange
Woodlands
Bradley Stoke
Bristol
BS32 4JY

Solicitors;

Farrer & Co
66 Lincoln's Inn Fields
London SW2A 3LH

Investment Managers;

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

M&G Securities Ltd
Victoria Road
Chelmsford CM99 2XF

Hackney Free and Parochial Schools

Educational Trust

Report of the Trustees for Year Ended 5 April 2021

The trustees present their Report and Financial Statements for the year ended 5 April 2021.

Introduction

The Hackney Free and Parochial Schools Educational Trust (the Trust) was registered with the Charity Commission on 12 November 2012, number 1095238. The Hackney Free and Parochial Schools comprise The Urswick School (formerly Hackney Free and Parochial Secondary School) at Paragon Road, Hackney E9 6NR and St John and St James Primary School at Isabella Road, Hackney E9 6DX.

Prior to the registration of the Trust, the Hackney Free and Parochial Schools Reconstruction Fund, which was governed by a 1905 Board of Education Scheme with funds derived largely from a public appeal for donations made in 1937, refurbished and rectified faults with the fabric of the Rams Episcopal Primary School (now known as St John and St James Primary School), and offset the maintenance costs of the schools. In the early 1990's, two major projects were carried out, the first to move the split site Hackney Free and Parochial Secondary School onto one site and the second to carry out development work at the Rams Episcopal Primary School. Since this time and until the registration of the Trust, the fund made contributions towards the maintenance costs both of both the Hackney Free and St John and St James' Schools.

Structure, Governance and Management

Recruitment and appointment of new trustees

The charity has seven trustees who meet twice a year. As permitted by the Charity Commission during the Covid-19 pandemic, the Trustees held their meetings by video conference. The identification of potential new trustees is carried out by the board, the aim being to appoint those with the appropriate expertise and experience for the charity's work. On agreeing to become a trustee of the charity, they are thoroughly briefed by their co-trustees on the history of the trust, the day-to-day management, the responsibilities of the trustees, the current objectives and future plans. The trustees are also encouraged to attend any courses.

Key Management Personnel

The trustees consider that they, and the secretary to the trustees, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The trustees receive no remuneration.

Organisational structure

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet two times every year to review developments with regard to the charity, its grant giving activities and to make any important decisions. When necessary, the trustees seek advice and support from the Charity's professional advisers.

Safeguarding

The trustees reviewed their responsibilities in relation to safeguarding. It was agreed that DBS checks were not required as the trustees do not work in direct contact with children. When the trustees visit the schools they are accompanied and comply with any specific requirements of the schools when on their premises. It is the trustees policy to consider these matters annually, and the Clerk confirmed that the schools have a safeguarding policy in place and there were no significant incidents to report to the Trustees.

Hackney Free and Parochial Schools
Educational Trust
Report of the Trustees for Year Ended 5 April 2021

Risk management

In line with the requirement for trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks. The trustees have identified five main areas where risks may occur:

- Governance and management
- Operational
- Financial
- Reputational
- Laws, regulations, external and environmental

Governance and management look at the risk the charity might suffer from the lack of direction, the skills and training of the trustees and the good use of its funds.

Operational looks at the risk inherent in the charity's activities including supporting unsuitable appeals from charities, continuity of staff, lack of a disaster recovery policy, etc.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at the possible damage to the charity's reputation, through association with unsuitable charities, or with inappropriate activity.

Laws, regulations, external and environmental looks at the effects of government policies and the consequences of non-compliance with the laws and regulations.

Having assessed the major risks to which the charity is exposed, in particular to its finances, the trustees believe that by monitoring reserve levels, by ensuring that controls exist over the key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

Object and Public Benefit

The object of the charity as set out in the Charity Commission Scheme is:

'the advancement of education at or in connection with the Hackney Free and Parochial Church of England Secondary School and St John and St James Church of England Primary School (the Schools)'. Hackney Free and Parochial Secondary School changed its name to The Urswick School in September 2011.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. The public benefit provided by the Trust is for additional educational purposes over and above the delegated budgets received by the Schools.

Hackney Free and Parochial Schools
Educational Trust
Report of the Trustees for Year Ended 5 April 2021

Activities during the year

Generally the Trust makes one grant to each school each after the accounts have been approved, in order to continue to advance educational benefits to the pupils at these schools, being the beneficiaries of the Trust. Due to the Covid-19 pandemic, the Trust encouraged the schools to make applications for funding for specific projects to help alleviate the impact of the pandemic on the pupils, where Government funding was not available or insufficient. Only one school was forthcoming with requests which the Trustees supported. The Trustees will continue to support both schools going forward and they are encouraging The Urswick School to provide reports and applications for funds.

Trustees

The Scheme allows for seven trustees (one ex officio, one nominated and five co-opted). The trustees who served during the year are those listed on page three. The ex officio trustees' term of office is the period for which he or she holds the office of Rector of Hackney. The nominated trustees' term of office is four years and co-opted trustees' terms of office are five years.

Investment performance

The value of investments at 5th April 2021 was £1,955,545, an increase of £806,975 on the original investment.

Financial review

Details of the Trusts incoming and outgoing resources in the year are given in the Statement of Financial Activities on page nine. The Trusts financial position on 5 April 2020 is set out in the Balance Sheet on page ten. These Financial Statements should be read in conjunction with the related accounting policies and notes on pages eleven to eighteen.

Income for the year was £73,302 (2020 £86,656). Expenditure for the year was £78,611 (2020 £65,479). At the year ended 5th April 2021, there was a deficit, before investment losses, of £5,309 (2020 surplus £21,177). Investment gain for the year were £324,604 (2020 loss £275,315).

Reserves and Investment Policy

The trustees' policy is to preserve the investment base of the Trust to ensure that sufficient income is generated annually to meet the Trusts requirements.

Hackney Free and Parochial Schools

Educational Trust

Statement of Trustees' Responsibilities for Year Ended 5 April 2021

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. Given the additional challenges of Coronavirus and Covid-19 in 2020/21, the trustees are of the opinion that the Charity will still have sufficient resources to meet its liabilities as they fall due.

Future developments

We will continue to maintain and develop relationships with The Urswick School and St John and St James Primary School and to consider grant applications from each.

The purpose of this statement is to distinguish the responsibilities of the trustees, as a body, for the Financial Statements from the responsibilities of the independent examiner as stated in their report.

The Trust Deed and Charity Law require the trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its financial position at the end of the year. In preparing those Financial Statements the trustees are required to:

- Select suitable Accounting Policies and then apply them consistently;
- Observe the methods and principals of the Charities SORP, Accounting and Reporting by Charities;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) has been followed, disclosing and explaining any departures therefrom in the Financial Statements; and
- Prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

Hackney Free and Parochial Schools


Educational Trust

Statement of Trustees' Responsibilities for Year Ended 5 April 2021

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the Financial Statements comply with the Charities Act 2011 and the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board of Trustees

...16/12/.....2021

...... Trustee REVD MARK NELSON

Independent Examiner's Report to the Trustees of
Hackney Free and Parochial Schools Educational Trust

Independent examiner's report to the trustees of Hackney Free and Parochial Schools Educational Trust

I report to the charity trustees on my examination of the accounts of Hackney Free and Parochial Schools Educational Trust (the Trust) for the year ended 5th April 2021.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust'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 my 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 Trust 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 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 other 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.



Matthew Dobbins FCA
Dunkley's
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date:17/01/2022.....

Hackney Free and Parochial Schools
Educational Trust
Statement of Financial Activities for Year Ended 5 April 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total Funds £	2020 Total Funds £
Income					
Investment income		73,302	-	73,302	86,656
Total Income		73,302	-	73,302	86,656
Expenditure					
Charitable expenditure	3	58,000	-	58,000	50,460
Other Costs	4	20,611	-	20,611	15,019
Total Charitable Expenditure		78,611	-	78,611	65,479
Unrealised gains/(losses) on investment assets	5	327,750	-	327,750	(275,315)
Net income/(expenditure)		322,441	-	322,441	(254,138)
Net Movement in Funds		322,441	-	322,441	(254,138)
Balance at beginning of year		2,381,404	8,600	2,390,004	2,644,142
Balance at end of year		2,703,845	8,600	2,712,445	2,390,004


The Trust had no recognised gains or losses other than those stated above. All income is derived from continuing activities.

The notes on pages 11-18 form part of these financial statements

Hackney Free and Parochial Schools
Educational Trust
Balance Sheet for Year Ended 5 April 2021

	Note	05.04.21 Total Funds £	05.04.20 Total Funds £
Fixed Assets			
Tangible assets - Leasehold property	6	700,000	700,000
Investments	7	<u>1,958,690</u>	<u>1,630,940</u>
		2,658,690	2,330,940
Current Assets			
Debtors	8	1,959	1,899
Cash at bank and in hand		56,454	60,933
Creditors			
Amounts falling due within one year	9	<u>(4,658)</u>	<u>(3,768)</u>
Current Assets Less Current Liabilities		<u>53,755</u>	<u>59,064</u>
Net Assets		<u>2,712,445</u>	<u>2,390,004</u>
Funds	10		
General fund		2,198,845	1,876,404
General fund Revaluation Reserve		505,000	505,000
Restricted fund (RH Gapper Legacy)		<u>8,600</u>	<u>8,600</u>
		<u>2,712,445</u>	<u>2,390,004</u>

Approved by the trustees and signed on their behalf by:

 Trustee

16/12/2021

The notes on pages 11-18 form part of these financial statements

Hackney Free and Parochial Schools
Educational Trust
Accounting Policies for Year Ended 5 April 2021

1. Basis of Accounting

These accounts have been prepared for the year to 5th April 2021.

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

The accounts have been prepared in accordance with 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) (Charities SORP FRS 102) issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The date of transition to the Charities SORP FRS 102 was 1 July 2014. This is the first set of accounts of the charity prepared in accordance with the Charities SORP FRS 102.

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

The accounts are presented in sterling and are rounded to the nearest pound.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. Given the additional challenges of Coronavirus and Covid-19 in 2020/21, the trustees are of the opinion that the Charity will still have sufficient resources to meet its liabilities as they fall due.

2. Accounting policies

Leasehold Property

The leasehold property is included at market value, less depreciation and impairment at the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities (SOFA). The property, now vacant, is currently not being marketed for sale and purchase of the freehold is on hold pending clarification of the legal title. The Trustees have recently engaged a solicitor to prepare an application to the Land Registry to try to resolve the issue around the title.

Investments

Unit Trust investments have been valued at middle market prices at the Balance Sheet date. Any gain or loss on revaluation is taken to the SOFA. Other investments are high interest cash deposit accounts.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Other Investments are included at cost, which is considered to be approximate to their market value.

Income

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises notional rent income, investment income and interest receivable.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group or charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Hackney Free and Parochial Schools
Educational Trust
Accounting Policies for Year Ended 5 April 2021

Expenditure (continued)

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated to the applicable expenditure heading.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial and governance procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise all costs relating to the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the independent examination of the financial statements and legal fees.

Support costs and governance costs are allocated to the charity's single charitable activity.

Taxation

The Trust is treated for tax purposes as a charity and is not liable to Income Tax on investment income or income derived from charitable activities. The Trust is not registered for VAT. All amounts in the SOFA are shown inclusive of VAT, where relevant.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Hackney Free and Parochial Schools
Educational Trust
Accounting Policies for Year Ended 5 April 2021

Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions (income and expenditure relating to the R H Gapper Legacy). Unrestricted funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the charity's charitable objects.

Statement of cash flows

The financial statements do not include a statement of cash flows because the charity is exempt from the requirement to prepare such a statement under the Charities SORP FRS 102 Update Bulletin 1.

Hackney Free and Parochial Schools
Educational Trust
Notes to the Financial Statements for Year Ended 5 April 2021

3. Charitable Expenditure

Unrestricted

	2021	2020
	£	£
Grants to The Urswick School	-	30,276
Grants to St John and St James Primary School	58,000	20,184
	<hr/>	<hr/>
	58,000	50,460

4. Other Costs

	2021	2020
	£	£
Independent Examiner's fee	600	720
Accountancy fees	2,814	1,909
Clerking fees (TTP)	6,397	3,938
Legal fees	3,600	2,402
Premise expenses	4,818	3,452
Other sundry expenses	2,382	2,598
	<hr/>	<hr/>
	20,611	15,019

The trustees received no remuneration for their services to the Trust and no expenses were reimbursed.

5. Movement on Unit Trust Investments

	2021	2020
	£	£
Investments at market value at beginning of year	1,630,940	1,906,255
Additions in year	-	-
Surplus/(loss) on revaluation of investments at the year end	<hr/> 327,750	<hr/> (275,315)
Investments at market value at end of year (see note 7)	<hr/> 1,958,690	<hr/> 1,630,940

The Trust is not chargeable to corporation tax on capital gains and, therefore, there would be no liability to corporation tax on capital gains if the investments were realised at the market value shown in the Financial Statements.

Hackney Free and Parochial Schools
Educational Trust
Notes to the Financial Statements for Year Ended 5 April 2021

6. Tangible Fixed Assets

	2021	2020
	£	£
Leasehold property at valuation at beginning and end of year	700,000	700,000

The Trust owns the leasehold interest in the School Keeper's House of Urswick School (formerly the Hackney Free and Parochial School), which was independently valued by Bunch and Duke on 15 July 2014. The lease runs from June 1985 to October 2083. The property, while previously understood to be freehold has been corrected to disclose the correct ownership. The trustees have agreed that the property should be shown at market value. The property, now vacant, is currently not being marketed for sale and purchase of the freehold is on hold pending clarification of the legal title.

An updated valuation was obtained in 2017 from Bunch and Duke with an effective date of 05.04.17. The revised valuation was reflected in the Financial Statements for the year to 5 April 2017.

			2021	2020
			Market Value	Market Value
			£	£
7. Investments				
Name of Investment	Units	Cost		
COIF Charities' Investment Fund	48,411.49 (2020)			
Income units	48,411.49 (2021)	369,686	867,843	725,227
COIF Charities' Property Fund	82,294.24 (2020)			
Income units	82,294.24 (2021)	87,884	94,144	96,235
Charifund - Equities Investment Fund	67,712.106 (2020)			
for Charities - Income units	67,712.106 (2021)	691,000	996,703	809,478
		1,148,570	1,958,690	1,630,940

8. Debtors and Prepayments

	2021	2020
	£	£
Debtors	-	-
Prepayments	1,959	1,899
	1,959	1,899

9. Creditors

	2021	2020
	£	£
Creditors	3,608	2,943
Accruals	1,050	825
	4,658	3,768

Hackney Free and Parochial Schools
Educational Trust
Notes to the Financial Statements for Year Ended 5 April 2021

10. Assets analysed by Fund 2021	Investment property £	Investments £	Net Current Assets £	Total £
General Fund	195,000	1,958,690	45,155	2,198,845
General Fund Revaluation Reserve	505,000	-	-	505,000
Restricted Fund	-	-	8,600	8,600
	<u>700,000</u>	<u>1,958,690</u>	<u>53,755</u>	<u>2,712,445</u>

10. Assets analysed by Fund 2020	Investment Property £	Investments £	Net Current Assets £	Total £
General Fund	195,000	1,630,940	50,464	1,876,404
General Fund Revaluation Reserve	505,000	-	-	505,000
Restricted Fund	-	-	8,600	8,600
	<u>700,000</u>	<u>1,630,940</u>	<u>59,064</u>	<u>2,390,004</u>

11. Related Parties

The trustees consider The Urswick School and St John and St James Primary School to be related parties of the charity due to the close ties between the charity and the schools. The Trustees' Annual Report details how the objects of the charity interact with the schools. Note 3 of the financial statements details, in aggregate, the grants awarded to the schools.

The trustees received no remuneration for their services to the Trust and no expenses were reimbursed.

Hackney Free and Parochial Schools

Educational Trust

Notes to the Financial Statements for Year Ended 5 April 2021

12. Comparative Statement of Financial Activities for Year Ended 5 April 2020

	Note	Unrestricted funds £	Restricted funds £	2020 Total Funds £
Income				
Investment income		<u>86,656</u>	-	<u>86,656</u>
Total Income		<u>86,656</u>	-	<u>86,656</u>
Expenditure				
Charitable expenditure	3	50,460	-	50,460
Other Costs	4	<u>15,019</u>	-	<u>15,019</u>
Total Charitable Expenditure		<u>65,479</u>	-	<u>65,479</u>
Unrealised losses on investments assets	5	<u>(275,315)</u>	-	<u>(275,315)</u>
Net Expenditure		(254,138)	-	(254,138)
Net Movement in Funds		(254,138)	-	(254,138)
Balance at beginning of year		<u>2,635,542</u>	<u>8,600</u>	<u>2,644,142</u>
Balance at end of year		<u>2,381,404</u>	<u>8,600</u>	<u>2,390,004</u>

