

THE SCHRODER FOUNDATION

**Financial Statements
5 April 2021**

THE SCHRODER FOUNDATION

Financial statements for the year ended 5 April 2021

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THE SCHRODER FOUNDATION

Reference and administrative information

Trustees:

Mrs C L Fitzalan Howard
Mrs C B Mallinckrodt
Mr P S A Mallinckrodt
Mr M May
Mr R Robinson
Ms L K E Schroder

Registered Office:

81 Rivington Street
London
EC2A 3AY

Solicitors:

Withers
16 Old Bailey
London
EC4M 7EG

Auditor:

BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU

Bankers:

Schroder & Co Limited
1 London Wall Place
London
EC2Y 5AU

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment Manager:

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Constitution:

The Schroder Foundation is registered in England and Wales as an unincorporated charity (number 1107479) and is governed by its Trust Deed.

THE SCHRODER FOUNDATION

Report of the Trustees for the year ended 5 April 2021

The Trustees present their report and the accounts of The Schroder Foundation ('the Foundation') for the year ended 5 April 2021.

The financial statements comply with the charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)).

Reference and administrative information

Reference and administrative information set out on page 1 form part of this report.

Structure, governance and management

The Schroder Foundation (registered charity number 1107479) is an unincorporated grant-making trust established by Bruno L Schroder and Charmaine B Mallinckrodt under a Trust Deed dated 6 December 2004. The Deed provides for a maximum of ten Trustees.

The Foundation does not actively raise funds and seeks to continue its philanthropic work through the careful stewardship of its financial resources.

The induction process for any newly appointed Trustee comprises an initial Meeting with the Chairman of Trustees on powers and responsibilities of the Trustees, the governing document and the philanthropic approach of the Foundation. This is followed by a Meeting with the Charity Manager on the Foundation's grant-making process as well as the relevant internal policies and procedures of the Foundation.

The Trustees meet four times a year when they consider broad strategy, grant-making activity, investment policy and reserves. There are agreed policy documents in use to support these decisions. The day to day administration of grants and the processing of applications prior to consideration by the board is delegated to the Charity Manager.

The Trustees ensure that they consider the major risks to which the Foundation is exposed and they have established systems and procedures to manage these risks according to best practice. They have constructed a risk register which prioritises these risks and identifies the mitigating factors, systems and controls in relation to each risk. The Trustees also ensure that there is a comprehensive monitoring and review process in place to capture new risks as they may arise and that systems are in place to manage these.

The Trustees have established a 'Register of Interests' as a measure of good practice and also to ensure that no conflicts occur. This register is updated on an annual basis. In addition the Trustees have established a 'Fraud and Whistleblowing' policy to further protect the assets of the charity.

Objects and activities

The objects of the Foundation are to apply the income and capital for the benefit of any charitable object or purpose, in any part of the world, as the Trustees think fit. The Trustees have a policy of supporting a broad range of activities within the areas of the arts, culture & heritage; education & young people; environment & conservation; health & medicine; and social welfare & community.

The Trustees identify projects and organisations they wish to support and the Foundation does not make grants to people or organisations who apply on an unsolicited basis.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities.

THE SCHRODER FOUNDATION

Report of the Trustees for the year ended 5 April 2021

Procedures and policy for grant-making

At their quarterly Meetings the Trustees consider what grants they will make and receive reports from grant recipients. The Trustees travel widely in the UK and abroad and use the knowledge gained to support the work of the Foundation and to inform grant-making policy. Organisations identified by the Trustees for potential support are normally invited to submit a formal application outlining the project, its beneficiaries and how the funds will be applied according to the guidance of the Trustees and the Charity Manager.

Investment policy

The allocation of investments is delegated to the investment manager who provides progress reports to Trustees on a regular basis. The Trustees regularly review current strategy thereby ensuring the careful stewardship of The Schroder Foundation funds.

The investment manager is tasked with maintaining or increasing the value of the portfolio, while ensuring there are sufficient funds to meet all commitments in full. During the year ended 5 April 2021, net gains on investments were £2,081,921.

The Charity Multi-Asset Fund is authorised and approved by the Charity Commission and is designed specifically for charities. As well as exposure to equities, bonds and cash the fund also includes exposure to alternative asset classes such as commodities, property and absolute return. The Fund has a target return objective of Inflation (CPI) +4% per annum over an economic cycle.

Achievements and performance

During the year the Foundation has awarded 58 grants (2020: 62) totalling £1,313,500 (2020: £1,347,873) within the Trustees' themes for support.

Financial review

The market value of investments and portfolio cash at 5 April 2021 was £11,297,200 (2020: £9,772,734). During the year the Foundation received income of £484,954 (2020: £535,687) and expended £1,481,127, of which £1,468,243 was on charitable activities. The Foundation's net assets at 5 April 2021 were £11,598,488 (2020: £10,512,740).

Risk management

The Trustees have considered the major risks to which the Foundation is exposed and they have established systems and procedures to manage these risks. The major risk to which the Foundation is exposed is that of incurring significant losses in the investment portfolio. General performance targets are set by the Trustees in relation to the investment portfolio, and the investment performance is kept under review by the Trustees.

In particular, the Trustees have considered the risks presented by COVID-19 and consider the Foundation to be well positioned to mitigate these risks. There is sufficient cash held to meet its operational, governance and committed grants expenditure. The investment portfolio has a total return approach and is expected to maintain a relatively similar pattern of distributions throughout the year ahead. There are sufficient reserves to meet further income requirements during the period.

Reserves policy

The Schroder Foundation recognises the need to hold reserves for the maintenance of core charitable activities in the event of income shortfalls. Reserves are defined as income that becomes available which is to be expended at the discretion of the Trustees of The Schroder Foundation in furtherance of its objects but which has not yet been spent, committed or designated. The Schroder Foundation carefully budgets and plans charitable expenditure, liaising closely with the Investment Manager. Budget and income information is reported to Trustees at quarterly Meetings.

At the year end, total unrestricted reserves were £11,598,488 (2020: £10,512,740).

THE SCHRODER FOUNDATION

Report of the Trustees for the year ended 5 April 2021

Future plans

During the coming year the Trustees will review the policy for grant-making and they will continue to develop the strategy for providing grants in an efficient and effective way.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Trust (Accounts and Reports) Regulations and the provisions of the Foundation's trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the Board of Trustees on 18.11.21 and signed on its behalf by:

Claire Fitzalan Howard
Trustee

THE SCHRODER FOUNDATION

Independent auditor's report to the Trustees of The Schroder Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 5 April 2021 and of its incoming resources and application of resources 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.

We have audited the financial statements of The Schroder Foundation ("the Charity") for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

THE SCHRODER FOUNDATION

Independent auditor's report to the Trustees of The Schroder Foundation

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 contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate 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 Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are 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 Trustees 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 Trustees are 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 Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and the sector within which it operates. This included but was not limited to compliance with the Charities Act 2011, United Kingdom Accounting Standards, and tax legislation;
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We addressed the risk of management override, in particular by testing any journal entries containing material or round sum amounts, and any irregular journals;
- We have considered the control environment at both entity level and financial statement level to consider the ability to detect and prevent fraud; and
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

THE SCHRODER FOUNDATION

Independent auditor's report to the Trustees of The Schroder Foundation

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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 trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
BDO LLP
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Richard Willis, Senior Statutory Auditor
BDO LLP, statutory auditor

55 Baker Street
London
W1U 7EU

Date **29 November 2021**

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE SCHRODER FOUNDATION

Statement of financial activities for the year ended 5 April 2021

	Notes	Restricted £	Unrestricted £	2021 Total funds £	2020 Total funds £
Income and endowments from:					
Investments	2	-	440,588	440,588	489,173
Administration fees receivable		-	44,366	44,366	46,514
Total		-	484,954	484,954	535,687
Expenditure on:					
Raising funds – investment management fees	3	-	12,884	12,884	13,924
Charitable activities:					
Administration	4	-	144,543	144,543	140,490
Charitable donations	5	-	1,313,500	1,313,500	1,347,873
Governance		-	10,200	10,200	7,500
Total		-	1,481,127	1,481,127	1,509,787
Net expenditure before gains and losses on investments		-	(996,173)	(996,173)	(974,100)
Net gains/(losses) on investments	6	-	2,081,921	2,081,921	(1,523,126)
Net income/(expenditure) being movement in funds	7	-	1,085,748	1,085,748	(2,497,226)
Fund balances brought forward		-	10,512,740	10,512,740	13,009,966
Fund balances carried forward		-	11,598,488	11,598,488	10,512,740

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above and therefore those stated above represent total comprehensive income.

The notes on page 10 to 17 form part of these financial statements.

THE SCHRODER FOUNDATION

Balance Sheet as at 5 April 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	8	<u>11,297,200</u>	<u>9,772,734</u>
Current assets			
Debtors	9	<u>113,350</u>	<u>113,538</u>
Cash at bank and in hand		<u>225,470</u>	<u>992,238</u>
		<u>338,820</u>	<u>1,105,776</u>
Creditors: amounts due within 1 year	10	<u>(37,532)</u>	<u>(365,770)</u>
Net current assets		<u>301,288</u>	<u>740,006</u>
Net assets		<u>11,598,488</u>	<u>10,512,740</u>
Funds			
Unrestricted funds	11	<u>11,598,488</u>	<u>10,512,740</u>
Total funds		<u>11,598,488</u>	<u>10,512,740</u>

The financial statements were approved by the Trustees and authorised for issue on 18.11.21 and signed on their behalf by:

Claire Fitzalan Howard

Trustee

The notes on page 10 to 17 form part of these financial statements.

THE SCHRODER FOUNDATION

Statement of Cash Flows for the year ended 5 April 2021

	Notes	2021 £	2020 £	
Cash flows from operating activities:				
Net cash used in operating activities	(a)	(1,764,811)	(1,116,235)	
Cash flows from investing activities:				
Dividends and interest from investments		248,043	251,721	
Proceeds from sale of investments		770,797	1,558,615	
Purchase of investments		(16,096)	(48,856)	
Change in investment cash		(4,701)	(9,757)	
Net cash provided by investing activities		998,043	1,751,723	
Change in cash and cash equivalents in the reporting period		(766,768)	635,488	
Cash and cash equivalents at the beginning of the reporting period	(b)	992,238	356,750	
Cash and cash equivalents at the end of the reporting period	(b)	225,470	992,238	
(a) Reconciliation of net income/(expenditure) to net cash flows from operating activities				
Net income/(expenditure) for the reporting period		1,085,748	(2,497,226)	
Adjustments for:				
(Gains) / losses on investments		(2,081,921)	1,523,126	
Dividends and interest from investments		(440,588)	(489,173)	
Decrease / (increase) in debtors		188	(7,666)	
(Decrease) / increase in creditors		(328,238)	354,704	
Net cash used in operating activities		(1,764,811)	(1,116,235)	
(b) Analysis of cash and cash equivalents				
Cash in hand		225,470	992,238	
Total cash and cash equivalents		225,470	992,238	
(c) Analysis of changes in net debt:				
	6 April 2020 £	Cash flows £	Non-cash movement £	5 April 2021 £
Cash and cash equivalents	992,238	(766,768)	-	225,470

The notes on page 10 to 17 form part of these financial statements.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

1. Principal accounting policies

a) Basis of accounting and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements are prepared in sterling, being the functional currency of the entity, and have been rounded to the nearest pound.

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

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 Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The preparation of the financial statements requires the Trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The Trustees consider that there are no key sources of estimation uncertainty.

b) Going concern

The Trustees have reviewed the Foundation's investments and operations in response to the impact of the Covid-19 pandemic. The budget for charitable activities in 2021-22 is, at this time, unaffected and there is sufficient cash available to meet pre-existing grant commitments and operations costs. The Foundation holds reserves to supplement income requirements to meet its charitable objectives as required. The Trustees consider that there are no material uncertainties over the Foundation's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

c) Income

Income is stated on a receivable basis. Income received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Income receivable from Gift Aid claims is recognised when the claim had been submitted.

Investment income is credited gross to the Statement of Financial Activities on the date it becomes payable.

Administration fees receivable are support costs incurred by The Schroder Foundation for the day to day administering and grant processing of other Charitable Trusts that are recharged. The recharges are calculated on a percentage basis, based on the time spent administering other charities.

d) Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure on raising funds includes investment manager fees which are calculated quarterly by Schroder & Co Ltd (the investment manager) and included in investment manager fees on a payable basis.

Expenditure on charitable activities includes charitable donations, administration costs and governance costs.

Charitable donations are charged to the Statement of Financial Activities when approved by the Trustees and any conditions placed on the recipient have been met. Other expenditure is provided on an accruals basis.

Administration costs consist of the costs associated with the administration and grant processing for other charitable trusts and the day-to-day administration of the Foundation's affairs as carried out by staff employed by The Schroder Foundation.

Governance costs charged in these financial statements include auditor's remuneration and other compliance costs, such as legal costs, imposed by the requirements of charities legislation.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

1. Principal accounting policies continued

d) Gains/losses on investment assets

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

e) Taxation

The Foundation benefits from the tax exemptions available to UK registered charities and accordingly is not liable for income tax or capital gains tax on income and gains derived from its investments.

f) Financial instruments

The Foundation only has financial assets and financial 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.

g) Investments

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 their closing quoted market price. Realised and unrealised gains and losses are shown in the statement of financial activities together as net gains on revaluation and disposals of investment assets. Investments held in the cash liquidity funds are classified within current assets.

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

The main form of financial risk faced by the Foundation is that of volatility in the investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub-sectors.

h) Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

i) Cash at bank and in hand

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

j) Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

k) Unrestricted funds

Unrestricted funds are donations, investment income and other incoming resources receivable or generated for the objects of the Foundation. The general fund therefore comprises those monies which may be used towards meeting the charitable objectives of the Foundation at the discretion of the Trustees.

l) Restricted funds

Any restricted funds would be used for the specific purposes laid down by the donor. Expenditure which meets their criteria is charged to the fund together with a fair allocation of management and support costs.

2. Income from investments

	Restricted £	Unrestricted £	2021 £	2020 £
Bank interest	-	15	15	1,976
Dividends	-	440,573	440,573	487,197
	-	440,588	440,588	489,173

No restricted investment income was received in the year (2020: £Nil).

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

3.	Expenditure on raising funds	2021	2020
		£	£
	Investment management fees	12,884	13,924
		12,884	13,924

All costs incurred in both 2021 and 2020 were in respect of unrestricted funds.

4.	Expenditure on administration costs	2021	2020
		£	£
	Salary and pension costs:		
	Wages and salaries	86,162	78,745
	Social security costs	5,398	4,569
	Pension costs	9,317	7,282
	Consultancy costs	7,697	2,220
	Other staff related costs	721	6,451
	Office running costs	35,248	40,732
	Training and travel	-	491
		144,543	140,490

All costs incurred in both 2021 and 2020 were in respect of unrestricted funds.

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £65,067 (2020: £63,239). One member of staff employed during the year is considered to be key management personnel (2020: 1). The average number of employees employed by the Foundation in the year was 2 (2020: 2)

One member of staff employed received more than £60,000 in employee benefits in the year (2020: 1).

5. Expenditure on charitable donations

a) Charitable donations made during the year:	2021
	£
Age UK	50,000
Amref UK	25,000
Ashden Sustainable Solutions, Better Lives	40,000
British German Association	20,000
Buttle UK (Chances for Children)	40,000
CAMFED International	40,000
Cancer Research UK	100,000
Children and Families Across Borders (CFAB)	25,000
Clean Break Theatre Company	30,000
Environmental Funders Network	10,000
Family Links	30,000
Fauna & Flora International	35,000
Green Alliance Trust, The	35,000
Helpforce Community Trust	30,000
Hope and Homes for Children	20,000
Human Rights Watch	3,000
Institute for Fiscal Studies, The	25,000
IAH Charity Company Limited	25,000
Irene Taylor Trust, The	25,000
Islay & Jura Sub-Committee (see note 6b)	40,500
Carried forward	648,500

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

5. Charitable donations (continued)

a) Charitable donations made during the year:	2021 £
Brought forward	648,500
KAA Intrepedus Trust	15,000
London Youth Rowing Ltd	30,000
Medecins Sans Frontieres	75,000
OCD Action	15,000
One Small Thing	30,000
Professional Teaching Institute, The (formerly The Prince's Teaching Institute)	40,000
Remote Vision Measurement Research Programme	20,000
Royal Botanical Gardens, Kew	35,000
Royal Horticultural Society, The	40,000
Royal Marsden Cancer Charity, The	50,000
Royal National Theatre, The	30,000
Royal Shakespeare Company, The	25,000
School-Home Support Service (UK)	35,000
Seenaryo	30,000
St Giles Trust	40,000
St Mark's Hospital Foundation	25,000
St Martin-in-the-Fields Trust	50,000
Scouts Association, The	25,000
University of Exeter	30,000
Whitley Fund for Nature	25,000

2021 Total	1,313,500
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2020 Total	1,347,873
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b) Charitable donations approved by the Islay & Jura Sub-Committee:

	2021 £
Argyll Piping Trust	7,000
Coisir Ghaidlig Ile (Islay Gaelic Choir)	750
Finlaggan Trust	200
Glasgow Islay Gaelic Choir	750
Islay & Jura Community Enterprise Ltd	6,000
Islay & Jura Community Piping and Drumming Club	500
Islay & Jura Highland Dancers	3,000
Islay Book Festival	1,000
Islay Community Access Group	550
Islay Development Initiative	10,000
Islay High School Parent Council	500
Islay Pipe Band Association	4,000
Islay Quilters	1,000
Kilarrow Parish Church	500
Kilmeny Community Playing Fields	750
Museum of Islay Life	500
North West Islay Church of Scotland	500
Rhinn's Playing Field Association	3,000

2021 Total	40,500
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2020 Total	51,630
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All charitable donations paid in both 2021 and 2020 were unrestricted.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

6. Net investment gains / (losses)	2021	2020
	£	£
Realised	95,561	32,934
Unrealised	1,986,360	(1,556,060)
	<u>2,081,921</u>	<u>(1,523,126)</u>
7. Net movement in funds		
Net movement in funds is stated after charging:		
	2021	2020
	£	£
Trustees' emoluments	-	-
Auditor's remuneration		
- as auditor	10,200	6,000
- for accountancy services	-	1,500
	<u>10,200</u>	<u>7,500</u>
8. Investments	2021	2020
	£	£
Market value brought forward	9,762,920	12,558,353
Additions at cost	208,641	286,308
Disposals proceeds	(770,797)	(1,558,615)
Net gains/(losses) on disposals and revaluations	2,081,921	(1,523,126)
	<u>11,282,685</u>	<u>9,762,920</u>
Portfolio cash held by the investment manager	14,515	9,814
Market value carried forward	<u>11,297,200</u>	<u>9,772,734</u>
Historic cost carried forward	<u>10,063,586</u>	<u>10,576,695</u>
Investments comprise the following:		
	2021	2020
	£	£
Equities (listed)	11,120,174	9,584,312
Private equity	162,511	178,608
	<u>11,282,685</u>	<u>9,762,920</u>
9. Debtors	2021	2020
	£	£
Dividends and interest receivable	62,271	62,072
Other administration fees receivable	46,017	46,514
Other debtors	5,062	4,952
	<u>113,350</u>	<u>113,538</u>

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Notes to the financial statements for the year ended 5 April 2021

10. Creditors: amounts falling due within one year	2021	2020
	£	£
Grant creditors	23,000	355,000
Accruals:		
Auditor's fees for audit and accountancy	10,200	7,500
Accountancy fees	1,000	-
Investment management fee payable	3,332	3,270
	37,532	365,770

Reconciliation of Grant creditors:

	2021	2020
	£	£
Balance of grant creditors at 6 April 2020	355,000	-
Grants awarded in the year	1313,500	1,347,873
Grants paid in the year	(1,645,500)	(992,873)
	23,000	355,000

11. Analysis of net assets between funds – 2021	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Investments	-	11,297,200	11,297,200
Net current assets	-	301,288	301,288
	-	11,598,488	11,598,488

All funds held at 5 April 2021 were unrestricted funds and all transactions in the year ended 5 April 2021 were within unrestricted funds.

Analysis of net assets between funds – 2020	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Investments	-	9,772,734	9,772,734
Net current assets	-	740,006	740,006
	-	10,512,740	10,512,740

12. **Grant Commitments**

The Foundation approved future grants with a value of £780,000 (2020: £760,000) before the year end, the payment of which are subject to standard grant conditions or any other conditions as set by the Trustees. In line with the Foundation's accounting policy, these have not been accrued in the financial statements. In instances where a commitment is given by The Schroder Foundation to support a project over more than one year and unless otherwise stated, a multi-year grant is subject to annual review by the Trustees of The Schroder Foundation to determine if adequate progress has been made and therefore whether future payments are approved for release. The annual review includes receipt of an evaluation report and assessment of progress by Trustees.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2021

13. Commitments under operating leases

At 5 April 2021 the charity had future minimum lease payments due on non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	<u>25,200</u>	<u>26,406</u>

14. Trustee remuneration

The Trustees consider themselves as comprising the key management personnel of the Foundation, in charge of directing and controlling the Foundation. During the year, the Trustees received no remuneration or benefits in kind (2020: £Nil). During the year, no Trustee received reimbursement of expenses (2020: no Trustee received reimbursement of expenses).

15. Related party transactions

Cazenove Capital acts as investment manager for the charity. Ms L K E Schroder and Mrs Claire L Fitzalan are non-executive directors of Schroders plc, the ultimate parent company of Cazenove Capital. Mr P S A Mallinckrodt was a non-executive director of Schroders plc until 30 April 2020. Mrs Claire L Fitzalan Howard became a non-executive director of Schroders plc from 30 April 2020.

Schroder & Co Limited act as bankers for the charity. Ms L K E Schroder and Mrs Claire L Fitzalan are non-executive directors of Schroders plc, the ultimate parent company of Schroders & Co Limited. Mr P S A Mallinckrodt was a non-executive director of Schroders plc until 30 April 2020. Mrs Claire L Fitzalan Howard became a non-executive director of Schroders plc from 30 April 2020.

Three of the trustees, Mrs C B Mallinckrodt, Mrs C L Fitzalan Howard and Ms L K E Schroder, are also trustees of the Schroder Charity Trust. During the year The Schroder Foundation made a charge to the charity of £28,142 (2020: £32,115) in respect of administration services provided during the year.

Mr P S A Mallinckrodt and Ms L K E Schroder are also trustees of The Charities Administered by the Kaiser Wilhelm II Fund. During the year The Schroder Foundation made a charge to the charity of £7,086 (2020: £5,360) in respect of administration services provided during the year.

Three of the trustees, Mrs C B Mallinckrodt, Mrs C L Fitzalan Howard and Mr P S A Mallinckrodt are also trustees of The Mallinckrodt Foundation. During the year The Schroder Foundation made a charge to the charity of £4,598 (2020: £4,940) in respect of administration services provided during the year.

Mr P S A Mallinckrodt is a Trustee of the The British German Association. During the year, the Foundation made a grant of £20,000 to the charity.

