

THE SCHRODER FOUNDATION

**Financial Statements
5 April 2023**

THE SCHRODER FOUNDATION

Financial statements for the year ended 5 April 2023

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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 R Robinson
Ms L K E Schroder

Registered Office:

81 Rivington Street
London
EC2A 3AY

Charities Director:

Laura Bowman

Solicitors:

Withers
20 Old Bailey
London
EC4M 7AN

Auditor:

UHY Kent LLP t/a UHY Hacker Young
Thames House
Roman Square
Sittingbourne
ME10 4BJ

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 2023

The Trustees present their report and the accounts of The Schroder Foundation ('the Foundation') for the year ended 5 April 2023.

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 Charities Director 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 the Foundation, including the processing of applications prior to consideration by the board, is delegated to the Charities Director.

The Schroder Foundation manages the Charities Office which provides administration services to four charities: Charities Administered by Kaiser Wilhelm II Fund, German Christ Church London Charity, The Mallinckrodt Foundation and Schroder Charity Trust. The costs for services are recharged to the charities on a percentage basis, based on the level of activity. There are some trustees in common between the charities.

The remuneration of the Charity's key management personal is reviewed by the Trustees on an annual basis taking into account the requirements of their role. From time to time the Trustees benchmark pay levels against comparable positions in similar organisations.

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 2023

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 its activities, beneficiaries and how the funds will be applied according to the guidance of the Trustees and the Charities Director.

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 2023, net losses on investments were £1,122,024.

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 29 grants (2022: 44) totalling £1,790,250 (2022: £2,274,290) within the Trustees' themes for support. This included a grant to Mesothelioma UK in memory of Mick May, a former Trustee, in recognition of his contribution to the Schroder Foundation's work; issue-based giving on the topics of chemicals and river pollution under the environment & conservation category, and approaches to reducing isolation for older people under social welfare & community category.

Financial review

The market value of investments and portfolio cash at 5 April 2023 was £11,726,033 (2022: £14,522,971). During the year the Foundation received income of £576,504 (2022: £5,604,098) and expended £1,977,691, of which £1,962,754 was on charitable activities. The Foundation's net assets at 5 April 2023 were £12,915,974 (2022: £15,439,185).

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. The Trustees seek to mitigate risks.

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 £12,915,974 (2022: £15,439,185).

THE SCHRODER FOUNDATION

Report of the Trustees for the year ended 5 April 2023

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 19th Sept 2023 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

We have audited the financial statements of The Schroder Foundation (the 'Foundation') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 5 April 2023 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 Foundation'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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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 trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

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

How the audit was considered capable of detecting 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:

- we identified the laws and regulations applicable to the Foundation through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Foundation, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

THE SCHRODER FOUNDATION

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

We assessed the susceptibility of the Foundation's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, 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 relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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


- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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 Auditors' report.

Use of our report

This report is made solely to the Foundation's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Foundation's trustees those matters we are required to state to them in an Auditors' 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 Foundation and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 24 October 2023

UHY Kent LLP t/a UHY Hacker Young are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE SCHRODER FOUNDATION

Statement of financial activities for the year ended 5 April 2023

	Notes	Restricted £	Unrestricted £	2023 Total funds £	2022 Total funds £
Income and endowments from:					
Donations	3	-	-	-	5,122,380
Investments	4	-	504,723	504,723	415,418
Administration & accountancy fees receivable		-	71,781	71,781	66,300
Total		-	576,504	576,504	5,604,098
Expenditure on:					
Raising funds – investment management fees	5	-	14,937	14,937	12,912
Charitable activities:					
Administration	6	-	165,724	165,724	162,689
Charitable grants	7	-	1,790,250	1,790,250	2,274,290
Governance		-	6,780	6,780	6,000
Total		-	1,977,691	1,977,691	2,455,891
Net (expenditure) / income before gains and losses on Investments		-	(1,401,187)	(1,401,187)	3,148,207
Net (losses) / gains on Investments	8	-	(1,122,024)	(1,122,024)	692,490
Net (expenditure) / income being movement in funds	9	-	(2,523,211)	(2,523,211)	3,840,697
Fund balances brought forward		-	15,439,185	15,439,185	11,598,488
Fund balances carried forward		-	12,915,974	12,915,974	15,439,185

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 11 to 18 form part of these financial statements.

THE SCHRODER FOUNDATION

Balance Sheet as at 5 April 2023

	Notes	2023 £	2022 £
Fixed assets			
Investments	10	<u>11,726,033</u>	<u>14,522,971</u>
Current assets			
Debtors	11	<u>112,822</u>	<u>105,562</u>
Cash at bank and in hand		<u>2,539,519</u>	<u>2,107,215</u>
		<u>2,652,341</u>	<u>2,212,777</u>
Creditors: amounts due within 1 year	12	<u>(932,400)</u>	<u>(761,563)</u>
Net current assets		<u>1,719,941</u>	<u>1,451,214</u>
Total assets less current liabilities		<u>13,445,974</u>	<u>15,974,185</u>
Creditors: amounts due after 1 year	13	<u>(530,000)</u>	<u>(535,000)</u>
Net assets		<u><u>12,915,974</u></u>	<u><u>15,439,185</u></u>
Funds			
Unrestricted funds	14	<u>12,915,974</u>	<u>15,439,185</u>
Total funds		<u><u>12,915,974</u></u>	<u><u>15,439,185</u></u>

The financial statements were approved by the Trustees and authorised for issue on 19TH SEPT 2023 and signed on their behalf by:

Claire Fitzalan Howard

Trustee

The notes on page 11 to 18 form part of these financial statements.

THE SCHRODER FOUNDATION

Statement of Cash Flows for the year ended 5 April 2023

	Notes	2023 £	2022 £	
Cash flows from operating activities:				
Net cash (used in) / provided by operating activities	(a)	<u>(1,747,333)</u>	<u>3,999,608</u>	
Cash flows from investing activities:				
Dividends and interest from investments		327,601	254,515	
Proceeds from sale of investments		3,637,768	2,801,175	
Purchase of investments		(1,788,006)	(5,181,943)	
Change in investment cash		<u>2,274</u>	<u>8,390</u>	
Net cash provided by / (used in) investing activities		<u>2,179,637</u>	<u>(2,117,862)</u>	
Change in cash and cash equivalents in the reporting period		<u>432,304</u>	<u>1,881,745</u>	
Cash and cash equivalents at the beginning of the reporting period	(b)	<u>2,107,215</u>	<u>225,470</u>	
Cash and cash equivalents at the end of the reporting period	(b)	<u>2,539,519</u>	<u>2,107,215</u>	
(a) Reconciliation of net income to net cash flows from operating activities				
Net Income for the reporting period		(2,523,211)	3,840,697	
Adjustments for:				
Losses / (gains) on investments		1,122,024	(692,490)	
Dividends and interest from investments		(504,723)	(415,418)	
(Increase) / decrease in debtors		(7,260)	7,788	
Increase in creditors		<u>165,837</u>	<u>1,259,031</u>	
Net cash (used in) / provided by operating activities		<u>(1,747,333)</u>	<u>3,999,608</u>	
(b) Analysis of cash and cash equivalents				
Cash in hand		<u>2,539,519</u>	<u>2,107,215</u>	
Total cash and cash equivalents		<u>2,539,519</u>	<u>2,107,215</u>	
(c) Analysis of changes in net debt:				
	6 April 2022 £	Cash flows £	Non-cash movement £	5 April 2022 £
Cash and cash equivalents	2,107,215	432,304	-	<u>2,539,519</u>

The notes on page 11 to 18 form part of these financial statements.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

1. General information

The Schroder Foundation is an unincorporated charity registered in England and Wales (charity number 1107479), governed by its Trust Deed. The registered office is 81 Rivington Street, London, EC2A 3AY. The annual statements are prepared in sterling, being the functional currency of the entity, and have been rounded to the nearest pound.

2. 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 reviewed the Foundation's investments and operations. 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 grants, administration costs and governance costs.

Charitable grants 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.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

2. Principal accounting policies continued

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.

e) **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.

f) **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.

g) **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.

h) **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.

i) **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.

j) **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.

k) **Creditors**

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

l) **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.

m) **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.

n) **Pensions**

The Foundation operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Foundation to the fund in respect of the year.

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

2. Principal accounting policies continued

o) Operating leases

Rentals on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. An operating lease is a lease in which the lessee has not taken on substantially all the risks and rewards of ownership of the leased asset. The benefits of incentives to sign property leases, including rent-free periods, are spread on a straight-line basis over the lease term.

3. Income from donations

	Restricted £	Unrestricted £	2023 £	2022 £
Donations	-	-	-	5,122,380
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,122,380</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,122,380</u>

4. Income from investments

	Restricted £	Unrestricted £	2023 £	2022 £
Bank interest	-	22,690	22,690	215
Dividends	-	482,033	482,033	415,203
	<u>-</u>	<u>504,723</u>	<u>504,723</u>	<u>415,418</u>
	<u>-</u>	<u>504,723</u>	<u>504,723</u>	<u>415,418</u>

No restricted investment income was received in the year (2022: £Nil).

5. Expenditure on raising funds

	2023 £	2022 £
Investment management fees	14,937	12,912
	<u>14,937</u>	<u>12,912</u>
	<u>14,937</u>	<u>12,912</u>

All costs incurred in both 2023 and 2022 were in respect of unrestricted funds.

6. Expenditure on administration costs

	2023 £	2022 £
Salary and pension costs:		
Wages and salaries	95,000	81,009
Social security costs	5,960	4,878
Pension costs	10,243	7,357
Consultancy costs	6,688	15,729
Other staff related costs	90	6,535
Office running costs	41,138	34,149
Subscriptions	3,894	3,780
Grants management system	2,343	9,030
Training and travel	368	222
	<u>165,724</u>	<u>162,689</u>
	<u>165,724</u>	<u>162,689</u>

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

6. Expenditure on administration costs continued

All costs incurred in both 2023 and 2022 were in respect of unrestricted funds.

The average number of employees employed by the Foundation in the year was 2 (2022: 2)

The following number of employees received employee benefits (excluding employer pension costs and employer national insurance) during the year between:

	2023	2022
£60,000 - £69,999	1	-

One member of staff employed during the year is considered to be key management personnel (2022: 1).

The total employee benefits, including pension contributions and employer's national insurance, of the key management personnel were £80,300 (2022: £65,217).

7. Expenditure on charitable grants

a) Charitable grants made during the year:

	2023 £
Age UK (Silver Line Helpline)	35,000
Buttle UK	150,000
CAMFED International	80,000
Cancer Research UK	150,000
Cares Family Limited. The	90,000
Fauna & Flora International	120,000
Global Canopy	135,000
Green Alliance Trust, The	120,000
Hope and Homes for Children	90,000
International Federation of Red Cross & Red Crescent Societies	50,000
Islay & Jura Sub-Committee (see note 7b)	25,250
Medecins Sans Frontieres (UK)	150,000
Mesothelioma UK CIO	100,000
National Star Foundation	50,000
Old Vic Theatre Trust 2000, The	105,000
River Action UK	90,000
Royal Botanical Gardens, Kew	120,000
St Giles Trust	80,000
Ukrainian Red Cross Society	50,000
2023 Total	1,790,250
2022 Total	2,274,290

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Notes to the financial statements for the year ended 5 April 2023

7. Charitable grants (continued)

b) Charitable grants approved by the Islay & Jura Sub-Committee:		2023 £
Argyll Piping Trust		7,000
Cantilena Festival On Islay		2,000
Finlaggan Trust		500
Glasgow Islay Gaelic Choir		750
Islay & Jura Community Enterprise Ltd		6,000
Islay & Jura Community Piping and Drumming Club		500
Islay & Jura Highland Dancers		1,000
Islay Pipe Band Association		4,000
Kilmeny Community Playing Field		1,000
Museum of Islay Life		500
North and West Islay Church of Scotland		2,000
2023 Total		25,250
2022 Total		33,500

All charitable donations paid in both 2023 and 2022 were unrestricted.

8. Net investment gains and losses

	2023 £	2022 £
Realised (losses) / gains	(311,780)	46,995
Unrealised (losses) / gains	(810,244)	645,495
	(1,122,024)	692,490

9. Net movement in funds

Net movement in funds is stated after charging:

	2023 £	2022 £
Trustees' emoluments	-	-
Auditor's remuneration		
- as auditor	6,600	6,000
- for tax services	180	-

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Notes to the financial statements for the year ended 5 April 2023

10. Investments	2023 £	2022 £
Market value brought forward	14,516,846	11,282,685
Additions at cost	1,965,128	5,342,846
Disposal proceeds	(3,637,768)	(2,801,175)
Net (losses) / gains on disposals and revaluations	(1,122,024)	692,490
	<u>11,722,182</u>	<u>14,516,846</u>
Portfolio cash held by the investment manager	3,851	6,125
Market value carried forward	<u>11,726,033</u>	<u>14,522,971</u>
Historic cost carried forward	<u>11,136,476</u>	<u>12,809,948</u>
Investments comprise the following:		
	2023 £	2022 £
Equities (listed)	11,590,826	14,639,622
Private equity	131,356	147,224
	<u>11,722,182</u>	<u>14,516,846</u>
11. Debtors	2023 £	2022 £
Dividends and interest receivable	65,364	64,729
Other administration & accountancy fees receivable	42,396	35,771
Other debtors	5,062	5,062
	<u>112,822</u>	<u>105,562</u>
12. Creditors: amounts falling due within one year	2023 £	2022 £
Grants payable	920,000	750,990
Accruals:		
Auditor's fees for audit and accountancy	6,600	6,000
Accountancy fees	1,500	1,500
Investment management fee payable	4,300	3,073
	<u>932,400</u>	<u>761,563</u>
Reconciliation of Grant creditors:		
	2023 £	2022 £
Balance of grant creditors at 6 April 2022	1,285,990	23,000
Grant commitments made in the year	1,790,250	2,274,290
Grants paid during the year	(1,626,240)	(1,011,300)
Balance of grant creditors at 5 April 2023	<u>1,450,000</u>	<u>1,285,990</u>

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

13.	Creditors: amounts falling due after one year	2023 £	2022 £
	Grants payable	530,000	535,000
		<u>530,000</u>	<u>535,000</u>

14.	Analysis of net assets between funds – 2023	Restricted funds £	Unrestricted funds £	Total funds £
	Investments	-	11,726,033	11,726,033
	Other net assets	-	1,189,941	1,189,941
		<u>-</u>	<u>12,915,974</u>	<u>12,915,974</u>

All funds held at 5 April 2023 were unrestricted funds and all transactions in the year ended 5 April 2023 were within unrestricted funds.

	Analysis of net assets between funds – 2022	Restricted funds £	Unrestricted funds £	Total funds £
	Investments	-	14,522,971	14,522,971
	Other net assets	-	916,214	971,214
		<u>-</u>	<u>15,439,185</u>	<u>15,439,185</u>

15. Grant Commitments

The Foundation approved future grants with a value of £915,000 (2022: £1,285,990) before the year end. 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.

16. Commitments under operating leases

At 5 April 2023 the charity had future minimum lease payments due on non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	<u>25,200</u>	<u>25,200</u>

17. 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 (2022: £Nil). During the year one Trustee, Mrs C L Fitzalan Howard, received reimbursement of meeting expenses of £217.20 (2022: no Trustee received reimbursement of expenses).

THE SCHRODER FOUNDATION

Notes to the financial statements for the year ended 5 April 2023

18. Related party transactions

Ms L K E Schroder and Mrs C L Fitzalan Howard are non-executive directors of Schroders plc, the ultimate parent company of Cazenove Capital, which acts as investment manager for the Charity, and Schroder & Co Ltd, which act as bankers for the charity.

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 £47,211 in respect of administration and accountancy services provided and £13 in relation to Companies House expenditure incurred during the year (2022: £36,217). An amount of £28,290 (2022: £18,923) is due to the Schroder Foundation at the year end.

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 £9,632 (2022: £13,307) in respect of administration and accountancy services provided and £520.05 (2022: £nil) for utility costs paid 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 £11,276 (2022: £9,133) in respect of administration and accountancy services provided and £342 (2022: £nil) for meeting expenses incurred during the year. A balance of £7,670 (£5,773) was due to the Schroder Foundation at the year end for administration and accountancy services and £342 (2022: nil) for meeting expenses.