

Charity No. 1117748

Kaiser Wilhelm II Fund: 1117748-1

Old People's Home: 1117748-2

**Charities administered by the
Kaiser Wilhelm II Fund**

**Report and financial statements
5 April 2021**

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Reference and administrative details

Charity number 1117748

Linked charities:

Kaiser Wilhelm II Fund	1117748-1
Old People's Home	1117748-2

Registered office and operational address

81 Rivington Street
London
EC2A 3AY

Managing Trustees

Mr P S A Mallinckrodt	Chair
Mr M Menzel	
Mr U K Maynard	(resigned 2 May 2020)
Mr J H F Schroder	
Ms L K E Schroder	

Kaiser Wilhelm II Fund and Old People's Home are governed by Managing Trustees of the Charities Administered by Kaiser Wilhelm II Fund. The Trustees of Kaiser Wilhelm II Fund and Old People's Home became Trustees of Charities Administered by the Kaiser Wilhelm II Fund, when the assets of both charities were transferred to the new organisation on 2 February 2007 (through a uniting direction made under section 96(6) of the Charities Act 1993 on 18 October 2006).

Bankers

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

Investment Manager

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Solicitors

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

Auditor

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Report of the Trustees for the year ended 5 April 2021

The trustees present their report and financial statements 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)).

Structure, governance & management

Kaiser Wilhelm II Fund and the Old People's Home are separate linked charities with their own distinct objects, within the Charities Administered by Kaiser Wilhelm II Fund, which was formed under a uniting direction (Section 96(6) of the Charities Act 1993) on 18 October 2006. Assets of both charities were transferred into Charities Administered by the Kaiser Wilhelm II Fund on 2 February 2007.

Kaiser Wilhelm II Fund and the Old People's Home, under the uniting direction, shall be treated as a single charity for the purposes of part II (registration) and part VI (accounting) of the Charities Act.

This does not constitute an amalgamation of the charities, which remain separate. The funds for each charity must continue to be spent only for the purposes of that charity.

Kaiser Wilhelm II Fund

The Kaiser Wilhelm II Fund in Greater London is regulated by a Trust Deed dated 4 July 1905 as varied by a scheme of the Charity Commissioners of 26 November 1975. The trustees of the charity applied to the Charity Commissioners for a scheme, which was granted and sealed on 27 September 1996 (as affected by a uniting direction made under section 96(6) of the Charities Act 1993 on 18 October 2006), to widen the objects of the charity and amalgamate it with the Emily Pfeiffer charity and the German Orphanage charity. The net assets of the charity formerly known as the Helenenheim Orphanage were transferred to the fund on 3 May 1996.

Old People's Home

Old People's Home is regulated by a declaration of trust dated 12 March 1928 as varied by deed of 10 November 1966 (as affected by a uniting direction made under section 96(6) of the Charities Act 1993 on 18 October 2006) and deed of amendment dated 5 February 2007.

Future Managing Trustees

Upon the occurrence of a vacancy, the managing trustees shall cause a note thereof to be entered in the minute book at their next meeting. A managing trustee may be appointed or discharged by a resolution of a Meeting of the managing trustees provided that a memorandum declaring such appointment or discharge shall be signed as a deed either at the Meeting by the person presiding or in some other manner directed by the Meeting and attested by two other persons present at the Meeting. Every Managing trustee shall be appointed for the term of five years by a resolution of the Managing trustees.

Organisational structure

The trustees meet twice a year when they consider broad strategy, grant-making activity, the financial statement and the Charity's investment and reserve policies.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Report of the Trustees for the year ended 5 April 2021

Objectives and activities

The objects of the Charities are laid out below. The managing 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 and setting the grant making policies for the year.

Kaiser Wilhelm II Fund objects

The income of the Fund may be applied in:

- a) The relief generally or individually of persons of German nationality, origin or decent (and their dependents) who are resident in the area of the former county of London or elsewhere, who are in conditions of need, hardship or distress, and relief, in cases of need of persons as aforesaid, who are sick, convalescent, disabled or infirm.
 - i) By making grants of money;
 - ii) By providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons or to alleviate their suffering or assist their recovery;
 - iii) By making arrangement for such services or facilities to be provided for these purposes by other institutions or organisations whether in return for donations or subscriptions out of the income of the charity or not); or
 - iv) By any other appropriate means of providing charitable assistance in furtherance of the above objects.
- b) The promotion of the education of persons of German nationality, origin or descent (and more particularly orphans who are under the age of 25 years and who are in need of financial assistance and providing in the interests of social welfare facilities for recreation and other leisure time occupation to enable such persons to develop their physical, mental and moral capacities that their condition of life may be improved.
- c) The furtherance of the religious and other charitable works of the German Churches (and more particularly the German Protestant Church) in the former county of London or elsewhere and including the provision of financial and other assistance to pastors and their dependents.
- d) In furtherance of the objects but not further or otherwise the managing trustees shall have the following powers:-
 - i) to co-operate and act in collaboration with any person, body, institution or authority including other charitable organisations and governmental and local authorities (whether in the United Kingdom or elsewhere) to further the objects of the charity;
 - ii) to establish, promote or assist by way of contribution or otherwise (including the provision of loans whether interest-bearing or not) any charitable organisations or any organisation (wherever established) which although not registered as a charity in England and Wales has objects which would be recognised as charitable (whether or not exclusively) so or which undertakes charitable works and to purchase, acquire or undertake all or any of the property, liabilities and engagements of which organisations provided that none of the income of the Trust Fund shall be used or applied for a non-charitable purpose.

Old People's Home objects

In or about the year 1904, the Baron Rudolph Bruno Schroder, the Pastor Arnold Scholton and certain other charitably disposed persons established a charity intended to be known as The Old People's Home, the objects of which are the provision of long term assistance to old or infirm people of either sex who were no longer able to live in their own homes and who were primarily of German nationality or whose mother tongue was German.

The charity was set up by a Declaration of Trust, dated 12 March 1928. For more than 100 years, the charity has sought continually to act in accordance with the founders' wishes and with much sadness and after careful evaluation, the Home in Upper Norwood was closed on 31 March 2005.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Report of the Trustees for the year ended 5 April 2021

The assets of the charity, namely the purpose-built home set in landscaped grounds were sold and the proceeds from the sale are being used to continue the objects of the charity.

Activities

The charities seek to continue their philanthropic work through the careful stewardship of their financial resources. As grant giving bodies the trustees promote the work of the charities.

Achievements and performance

Kaiser Wilhelm II Fund

The capital (comprising tangible fixed assets and investments) of the charity at the year-end was £8,986,387 (2020: £7,281,461) and during the year KWII received income of £341,631 (2020: £333,924) and made grants totalling £150,270 (2020: £139,790).

The Fund's net assets at 5 April 2021 were £9,249,286 (2020: £7,549,724).

A full list of grants made in the year can be viewed on Note 4 within the financial statements.

Old People's Home

The investments of the charity at the year-end were valued at £3,544,979 (2020: £2,974,050) and during the year Old People's Home received income of £135,878 (2020: £135,356) and made grants totalling £75,000 (2020: £40,000).

The charity's net assets at 5 April 2021 were £3,602,974 (2020: £2,890,372).

Financial review

Risk review and risk management

The managing trustees annually consider the major risks to which the charities are exposed and have established systems and procedures to manage these risks according to best practice. The major risk to which the charities are exposed is that of incurring significant losses in the investment portfolio. General performance targets are set by the managing trustees in relation to the investment portfolio, and the investment performance is kept under review by the managing trustees.

The managing trustees have considered the potential risks posed by the impact of Covid-19 on the charities operations and finances. The reserves policy and careful stewardship of finances means there are sufficient reserves to meet income requirements during the period. The investment portfolio has a total return approach and is expected to maintain a relatively similar pattern of distribution through the year ahead.

Grant making policy

The managing trustees continue to make grants in line with the objects of the charities.

Reserves policy

The managing trustees recognise 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 managing trustees in furtherance of its objects but which has not yet been spent, committed or designated. The managing trustees carefully budget and plan charitable expenditure, liaising closely with the investment manager. The current level of reserves at the year-end is £12,852,260 (2020: £10,440,096).

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Report of the Trustees for the year ended 5 April 2021

Investment powers and policy

The property of the charities, other than sums needed for immediate working purposes, may be invested in or upon such stock, funds, shares, securities or other investments of whatsoever nature and wheresoever and whether involving liability or not as the managing trustees in their absolute discretion think fit and with the likely absolute power of varying such investments from time to time to the intent that the managing trustees shall have the same full and unrestricted powers of investing and transposing the investment of the charities premises in all respect, as if they were absolutely entitled thereto beneficially.

The main income of the charities is derived from its vested investments. The investment manager's objective is to maximise total return with due regard for risk.

Kaiser Wilhelm II Fund: property

The freehold property is held on behalf of the managing trustees by the Custodian Trustee of Withers Trust Corporation Limited (Company Registration Number 3697358).

Future plans

During the coming year the managing 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 managing 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).

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 charity and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, the managing trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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 charity will continue in business.

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

Auditor

Sayer Vincent LLP was appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

Approval

This report was approved by the Managing Trustees on 16 December 2021 and signed on its behalf by:

.....

Leonie Schroder
Trustee

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Independent auditor's report to the Trustees of the Charities Administered by the Kaiser Wilhelm II Fund

Opinion

We have audited the financial statements of the Charities Administered by the Kaiser Wilhelm II Fund (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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit 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 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 other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

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.

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

We have nothing to report in this regard.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Independent auditor's report to the Trustees of the Charities Administered by the Kaiser Wilhelm II Fund

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We enquired of management and trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity's 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.

7 January 2022

Sayer Vincent LLP, Statutory Auditor

Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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	135,878	331,431	467,309	459,080
Rental income	5	-	10,200	10,200	10,200
Total		135,878	341,631	477,509	469,280
Expenditure on:					
Raising funds – investment manager fees		4,059	9,854	13,912	13,310
Charitable activities					
Grants payable	3/4	75,000	150,270	225,270	179,790
Costs in support of grant making	3	2,026	5,060	7,086	5,360
Governance costs	3	3,673	11,003	14,676	9,978
Total		84,758	176,187	260,945	208,438
Net income before gains and losses on investments		51,120	165,444	216,564	260,842
Net gains/(losses) on investments		653,485	1,542,115	2,195,600	(1,580,663)
Net income/(expenditure), being net movement in funds		704,605	1,707,559	2,412,164	(1,319,821)
Fund balances brought forward		2,890,575	7,549,521	10,440,096	11,759,917
Fund balances carried forward		3,595,180	9,257,080	12,852,260	10,440,096

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 16 form part of these financial statements.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Balance Sheet as at 5 April 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	5	130,882	130,882
Investments	6	12,400,484	10,124,629
		12,531,366	10,255,511
Current assets			
Debtors	7	115,561	116,479
Cash at bank and in hand		224,212	84,541
Total current assets		339,773	201,020
Liabilities			
Creditors: amounts due within 1 year	8	(18,879)	(16,435)
Net current assets		320,894	184,585
Net assets	9	12,852,260	10,440,096
Funds	10		
Restricted funds		3,593,611	2,890,575
Unrestricted funds		9,258,649	7,549,521
Total funds		12,852,260	10,440,096

The financial statements were approved by the Managing Trustees and authorised for issue on 16 December 2021 and signed on their behalf by:

Leonie Schroder
Trustee

The notes on page 11 to 16 form part of these financial statements.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

Statement of Cash Flows for the year ended 5 April 2021

	Notes	2021 £	2020 £	
Cash flows from operating activities:				
Net cash (used in)/provided by operating activities	(a)	(17,012)	186,150	
Cash flows from investing activities:				
Dividends and interest from investments		236,938	67,256	
Proceeds from sale of investments		222,774	338,470	
Purchase of investments		(286,632)	(516,481)	
Change in investment cash		(16,397)	(24,928)	
Net cash provided by/(used in) investing activities		156,683	(135,683)	
Change in cash and cash equivalents in the reporting period		139,671	50,467	
Cash and cash equivalents at the beginning of the reporting period	(b)	84,541	34,074	
Cash and cash equivalents at the end of the reporting period	(b)	224,212	84,541	
(a) Reconciliation of net income/(expenditure) to net cash flows from operating activities				
Net income/(expenditure) for the reporting period		2,412,164	(1,319,821)	
Adjustments for:				
(Gains)/losses on investments		(2,195,600)	1,580,663	
Dividends and interest from investments		(236,938)	(67,256)	
Decrease/(increase) in debtors		918	(6,903)	
Increase/(decrease) in creditors		2,444	(533)	
Net cash (used in)/provided by operating activities		(17,012)	186,150	
(b) Analysis of cash and cash equivalents				
Cash in hand		224,212	84,541	
Total cash and cash equivalents		224,212	84,541	
Analysis of changes in net debt				
	6 April 2020	Cash flows	Non-cash	5 April 2021
	£	£	£	£
Cash and cash equivalents	84,541	139,671	-	224,212

The notes on page 11 to 16 form part of these financial statements.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

1. Accounting policies

- a) 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)), including Update Bulletin 1, 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 entities, and have been rounded to the nearest pound.

The charities constitute public benefit entities as defined by FRS 102.

Kaiser Wilhelm II Fund and Old People's Home ('OPH') were deregistered from the Charity Commission on 2 February 2007 through a uniting direction made under section 96(6) of the Charities Act 1993 on the 18 October 2006. As part of this uniting direction, their activities and assets were transferred to Charities Administered by the Kaiser Wilhelm II Fund on 2 February 2007. Both charities are linked subsidiaries of the Charities Administered by the Kaiser Wilhelm II Fund.

The linked charities accounts are aggregated into the Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows. The notes to the aggregated accounts present the fund balances, income, expenditure, assets and liabilities of each charity.

The charity with the narrower objects (OPH) accounts for its funds as restricted within these accounts.

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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

- b) The managing trustees have reviewed the charities 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. The charities hold reserves to supplement income requirements to meet charitable objectives as required. The Trustees consider that there are no material uncertainties over the charities' 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) The preparation of the financial statements requires the managing 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 managing 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 managing trustees' consider that there are no key sources of estimation uncertainty.
- d) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Investment income is accounted for when receivable.
- e) Expenditure is recognised in the period to which it relates. Resources expended include attributable VAT which cannot be recovered.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

Costs in support of grant making relates to the day-to-day administration of the affairs of the charities as carried out by staff employed by The Schroder Foundation. The costs are recharged to the charities on a percentage basis, based on the level of activities of the charity.

Governance costs are the costs associated with the governance arrangements of the charities. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charities' activities.

- f) The cost of generating 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.
- g) Costs of grant making are included in the Statement of Financial Activities in the year they are payable. Costs include grants made and support costs associated with the activity.
- h) The freehold property is included in the accounts at historic cost, but is valued when deemed necessary by professional advisors and this amount is disclosed in the note to the accounts.

The property has not been depreciated as the managing trustees are of the opinion that any potential depreciation charged would be immaterial to the accounts. The managing trustees believe the estimated life of this asset to be very long and the estimated residual value of this asset is close to the carrying amounts.

- i) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- j) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- k) Designated funds are unrestricted funds earmarked by the managing trustees for particular purposes.
- l) 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 charities do not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charities 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 of sub-sectors.

All gains and losses on investment assets 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.

- m) The charities only have 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- n) 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.
- o) 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.
- p) Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.
- q) The charities are exempt from corporation tax as all their income is charitable and is applied for charitable purposes.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

2. Investment income

	Kaiser Wilhelm II		OPH	2021	2020
	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£
Bank interest	-	1	1	2	129
Dividends received and foreign exchange	-	331,430	135,877	467,307	458,951
Total	-	331,431	135,878	467,309	459,080

Included within investment income is £135,877 (2020: £135,366) in respect of restricted income.

3. Charitable activities

	Grants payable	Cost in support of grant making	Governance costs	2021 Total	2020 Total
	£	£	£	£	£
Kaiser Wilhelm II Fund					
Grants payable (see note 4)	150,270	-	-	150,270	139,790
Administration	-	5,060	-	5,060	2,894
Property insurance and fire alarm	-	-	1,209	1,209	1,185
Accountancy	-	-	500	500	1,577
Audit	-	-	5,142	5,142	2,700
Legal fees	-	-	2,785	2,785	500
Sundry costs	-	-	1,367	1,367	373
Old People's Home*					
Grants payable (see note 4)	75,000	-	-	75,000	40,000
Administration	-	2,026	-	2,026	2,466
Accountancy	-	-	500	500	1,343
Audit	-	-	2,058	2,058	2,300
Legal fees	-	-	1,115	1,115	-
Total	225,270	7,086	14,676	247,032	195,128

Included within charitable activities is £80,699 (2020: £46,109) relating to restricted funds.

* In accordance with Charity Commission guidance, the Old People's Home, as the charity with the narrower objects accounts for its funds and therefore activities, as restricted within the financial statements.

4. Grants payable

	Kaiser Wilhelm II		OPH	2021	2020
	Restricted	Unrestricted	Restricted	Total	Total
	£	£	£	£	£
German Seaman's Mission	-	61,200	-	61,200	61,200
Council of German Church Work	-	55,070	-	55,070	41,000
German Welfare Council	-	-	75,000	75,000	70,590
The Congregation at German Christ Church, London – Pastoral Assistant	-	14,000	-	14,000	7,000
Westminster Roman Catholic Diocese	-	-	-	-	-
Trustee German Church (St Boniface)	-	20,000	-	20,000	-
Total	-	150,270	75,000	225,270	179,790

Included within grants payable is £75,000 (2020: £40,000) relating to restricted funds.

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

5.	Tangible fixed assets	2021	2020
		£	£
	Kaiser Wilhelm II Fund		
	Freehold property:		
	Cost	130,882	130,882

This relates to a detached house purchased on 28 February 1994 at 16 Advice Avenue, Chafford Hundred, Grays, Essex. The property was initially purchased as an investment asset and let at a commercial rent. The property is now provided rent free to a charity, effectively the trustees have made a grant 'in lieu' of rent. This grant amounted to £10,200 in 2021 (2020: £10,200) and is shown as rental income and as a grant payable in the accounts. The freehold property is held on behalf of the managing trustees by the Custodian Trustee of Withers Trust Corporation Limited (Company Registration Number 3697358).

6.	Investments	KWII	OPH	2021	2020
		£	£	Total	Total
				£	£
	Market value bought forward	7,130,925	2,959,333	10,090,258	11,492,910
	Cost of acquisitions during the year	195,040	91,592	286,632	516,481
	Proceeds from disposals in the year	(41,587)	(181,187)	(222,774)	(338,470)
	Net cash invested	153,453	(89,595)	63,858	178,011
	Net gain/(loss) on revaluation in the year	1,542,115	653,485	2,195,600	(1,580,663)
	Market value of investments carried forward	8,826,493	3,523,223	12,349,716	10,090,258
	Cash held as part of portfolio investment	29,012	21,756	50,768	34,371
	Total market value at 5 April 2021	8,855,505	3,544,979	12,400,484	10,124,629
		KWII	OPH	2021	2020
		£	£	Total	Total
				£	£
	Investments at market value comprise:				
	UK quoted investments	8,826,493	3,523,223	12,349,716	10,090,258
	Cash held in Investment Portfolio	29,012	21,756	50,768	34,371
	Historic cost of investments at 5 April 2021	7,857,371	3,140,582	10,997,953	10,867,428

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

7.	Debtors	KWII	OPH	2021	2020
		£	£	£	£
	Other debtors:				
	Accrued investment income	82,492	33,069	115,561	116,479
		<u>82,492</u>	<u>33,069</u>	<u>115,561</u>	<u>116,479</u>
8.	Creditors: amounts due within 1 year	KWII	OPH	2021	2020
		£	£	£	£
	Accruals – audit and accountancy fees, administration fees	10,702	4,584	15,286	13,281
	Investment manager fees	2,565	1,028	3,593	3,154
		<u>13,267</u>	<u>5,612</u>	<u>18,879</u>	<u>16,435</u>
9.	Analysis of net assets between funds – 2021	Kaiser Wilhelm II Fund		OPH	
		Restricted funds	General funds	Restricted funds	Total funds
		£	£	£	£
	Fixed assets	-	130,882	-	130,882
	Investments	-	8,855,505	3,544,979	12,400,484
	Net current assets	203	262,696	57,995	320,894
		<u>203</u>	<u>9,249,083</u>	<u>3,602,974</u>	<u>12,852,260</u>
	Analysis of net assets between funds – 2020	Kaiser Wilhelm II Fund		OPH	
		Restricted funds	General funds	Restricted funds	Total funds
		£	£	£	£
	Fixed assets	-	130,882	-	130,882
	Investments	-	7,150,579	2,974,050	10,124,629
	Net current assets	203	268,060	(83,678)	184,585
		<u>203</u>	<u>7,549,521</u>	<u>2,890,372</u>	<u>10,440,096</u>

CHARITIES ADMINISTERED BY THE KAISER WILHELM II FUND

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

10.	Movement in funds – 2021	At start of year £	Incoming resources £	Outgoing resources £	Net gains £	At the end of year £
	Restricted funds					
	Kaiser Wilhelm II Fund	203	-	-	-	203
	Old People's Home	2,890,372	135,878	(84,757)	653,485	3,594,978
	Total restricted funds	2,890,575	135,878	(84,757)	653,485	3,595,181
	Total unrestricted funds	7,549,521	341,631	(176,188)	1,542,115	9,257,079
	Total funds	10,440,096	477,509	(260,945)	2,195,600	12,852,260

	Movement in funds – 2020	At start of year £	Incoming resources £	Outgoing resources £	Net losses £	At the end of year £
	Restricted funds					
	Kaiser Wilhelm II Fund	203	-	-	-	203
	Old People's Home	3,272,394	135,356	(50,026)	(467,352)	2,890,372
	Total restricted funds	3,272,597	135,356	(50,026)	(467,352)	2,890,575
	Total unrestricted funds	8,487,320	333,924	(158,412)	(1,113,311)	7,549,521
	Total funds	11,759,917	469,280	(208,438)	(1,580,663)	10,440,096

11. Trustee remuneration

The managing trustees consider themselves as comprising the key management personnel of the charities, in charge of directing and controlling the charities. The managing trustees received £nil remuneration for their services or expenses during the year (2020: £nil) and received no reimbursement of expenses (2020: £nil).

12. Related parties

Cazenove Capital acts as investment manager for the charities. Ms L K E Schroder is a non-executive director of Schroders plc, the ultimate parent company of Cazenove Capital. Mr P S A Mallinckrodt was a non-executive director of Schroders plc, the ultimate parent company of Cazenove Capital, until 30 April 2020.

Mr P S A Mallinckrodt and Ms L K E Schroder are also trustees of The Schroder Foundation which made a charge to the charity of £7,086 (2020: £5,360) in respect of administration services provided during the period. £7,086 (2020: £5,360) of this balance was outstanding at the year end.

Mr U K Maynard (resigned 2 May 2020) is a trustee and the Vice Chairman of The German Welfare Council which received grants from the charity totalling £75,000 (2020: £70,590) during the period.