

REGISTERED COMPANY NUMBER: 06500485 (England and Wales)
REGISTERED CHARITY NUMBER: 1123262

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 August 2023
for
Cardiff Educational Endowment Trust
(A Company Limited by Guarantee)

Cardiff Educational Endowment Trust

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Cardiff Educational Endowment Trust

**Reference and Administrative Details
for the Year Ended 31 August 2023**

TRUSTEES	E J Moody
REGISTERED OFFICE	Womble Bond Dickinson The Spark Draymans Way, Newcastle Helix, NEWCASTLE UPON TYNE NE4 5DE
REGISTERED COMPANY NUMBER	06500485 (England and Wales)
REGISTERED CHARITY NUMBER	1123262
INDEPENDENT EXAMINER	Clive Owen LLP Chartered Accountants 140 Coniscliffe Road DARLINGTON Co Durham DL3 7RT
SOLICITORS	Womble Bond Dickinson (UK) LLP The Spark Draymans Way Newcastle Helix NEWCASTLE UPON TYNE NE4 5DE
BANKERS	Barclays Bank One Stanhope Gate LONDON W1K 1AF

Cardiff Educational Endowment Trust

Report of the Trustees for the Year Ended 31 August 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Policies and objectives

The charity's objectives are:

- To advance the education of young persons who are principally inhabitants of the City of Cardiff and the surrounding neighbourhood.
- To support such other charitable purposes as are connected with the charity as the trustees from time to time think fit.

In setting the objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Main activities undertaken to further the company's purposes for public benefit

The charity has operated as a grant-making educational charity since 25 May 2017.

ACHIEVEMENT AND PERFORMANCE

Main achievements of the company

A grant-making committee has been established which will support the charity to focus its activity and increase its impact. It is anticipated that during the following financial year, the grant-making strategy will be further refined and significant projects identified for funding.

Investigations into the charity's affairs are still under review, as such the charity has made no grants during the year.

FINANCIAL REVIEW

Financial position

The state of the charity's affairs at 31 August 2023 and the results of its activities for the year ended on that date are set out in the attached financial statements.

The total incoming resources for the year were £134,305 (2022: £94) and total expenditure was £47,287 (2022: £55,941).

At 31 August 2023 the total funds of the charity were £4,388,512 (2022: £ 4,437,138). All of the charity's funds are unrestricted.

Material investments policy

The investments were managed by Cazenove during the year. The investment managers for the charity are required to manage the charity's funds within the parameters of, and in accordance with, the investment policy statement adopted by the charity.

Notwithstanding the appointment of Cazenove to manage the charity's funds, during the year the Interim Manager recognises that she retains overall responsibility for the investment of the charity's funds. The charity's investment portfolio is kept under review by the Interim Manager with the support of the grant-making committee, two of whom are professional investment managers to help ensure that the charity is not exposed to greater risks than it is prepared to accept.

The investments held by the company have (decreased)/ increased in value by (£135,344) (2022: (£48,206)) during the year. The investments held had a market value at 31 August 2023 of £4,234,844 (2022: £3,687,140).

Reserves policy

As at 31 August 2023 the free reserves amounted to £4,388,512 (2022: £4,437,138).

It remains the long term policy to maintain an appropriate amount of funds to generate income in order to make grants in furtherance of the charity's objects.

Cardiff Educational Endowment Trust

Report of the Trustees for the Year Ended 31 August 2023

FINANCIAL REVIEW

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Principal risks and uncertainties

There are concerns over the former governance of the charity and breaches of trust.

The investigation into the former trustees of the charity, and into persona connected to them, continues to progress steadily. The charity's Interim Manager continues to work closely with other parties involved in the investigation, notably the Charity Commission, South Wales Police and the Crown Prosecution Service. The ultimate objective is, where appropriate, to secure the maximum return of funds to the charity.

Financial risk management

The Interim Manager is responsible for overseeing the factors that are deemed to be risks faced by the trust. The risks identified are addressed predominantly by the trust's systems and processes which have been significantly strengthened following the appointment of the Interim Manager.

The Interim Manager has assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and is satisfied that systems and procedures are in place to mitigate exposure to the major risks.

PLANS FOR THE FUTURE

One of the functions of the Interim Manager appointed by the Charity Commission, was to consider and determine the exit strategy for the charity which included a transition to a newly formed trustee body.

Following the sale of the 6th form college in 2017, the interim manager has worked to identify grant-making committee members who will in turn become the trustees of the charity. Those individuals have been selected based on their skills and expertise and have been inducted and trained on their legal duties and responsibilities.

It is likely that, during the next financial reporting period, the Interim Manager will be discharged and the new trustees will be appointed to take forward the future governance, management and administration of the charity, as a grant-making charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Constitution

Cardiff Educational Endowment Trust is registered as a charitable company limited by guarantee and was incorporated at Companies House on 11 February 2008. The charity is governed by its Memorandum of Association. The Articles of Association currently governing the charity were passed 3 March 2017.

Methods of appointment or election of Trustees

The management of the company is the responsibility of the Interim Manager.

Emma Moody of Womble Bond Dickinson (UK) LLP was appointed by the Charity Commission as Interim Manager for the charity in the light of concerns about its financial management and governance. This appointment was to the exclusion of the then trustees.

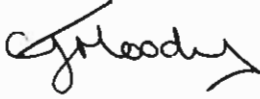
It is envisaged that members of the grant-making committee will be appointed as trustees of the charity in the next financial period. Given the ongoing investigation into allegations of the previous mismanagement and maladministration the appointment of a new board of trustees is considered premature at this stage.

Cardiff Educational Endowment Trust

**Report of the Trustees
for the Year Ended 31 August 2023**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 29 May 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E J Moody', with a stylized flourish at the end.

E J Moody - Trustee

**Independent Examiner's Report to the Trustees of
Cardiff Educational Endowment Trust**

Independent examiner's report to the trustees of Cardiff Educational Endowment Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A W Luckett

A W Luckett Bcom BFP FCA DChA

Clive Owen LLP
Chartered Accountants
140 Coniscliffe Road
DARLINGTON
Co Durham
DL3 7RT

29 May 2024

Cardiff Educational Endowment Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	3	134,305	94
EXPENDITURE ON			
Raising funds			
Investment management costs	4	10,499	-
		10,499	-
Charitable activities	5		
Grant making educational		36,788	55,941
Total		47,287	55,941
Net gains/(losses) on investments		(135,644)	(48,206)
NET INCOME/(EXPENDITURE)		(48,626)	(104,053)
RECONCILIATION OF FUNDS			
Total funds brought forward		4,437,138	4,541,191
TOTAL FUNDS CARRIED FORWARD		4,388,512	4,437,138

The notes form part of these financial statements

Cardiff Educational Endowment Trust

Balance Sheet 31 August 2023

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Investments	11	4,234,844	3,687,140
CURRENT ASSETS			
Cash at bank		167,264	762,848
CREDITORS			
Amounts falling due within one year	12	(13,596)	(12,850)
NET CURRENT ASSETS		<u>153,668</u>	<u>749,998</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,388,512	4,437,138
NET ASSETS		<u>4,388,512</u>	<u>4,437,138</u>
FUNDS	13		
Unrestricted funds		4,388,512	4,437,138
TOTAL FUNDS		<u>4,388,512</u>	<u>4,437,138</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2023.

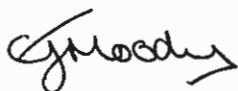
The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 May 2024 and were signed on its behalf by:



E J Moody - Trustee

The notes form part of these financial statements

Cardiff Educational Endowment Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The significant accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented unless otherwise stated.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of the expenditure on the objects of the charity. Governance costs are those incurred in connection with the administration of the company and its compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Cardiff Educational Endowment Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2023

1. ACCOUNTING POLICIES - continued

Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction costs and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at costs less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Net gains/(losses) on investments' in the Statement of Financial Activities.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next years financial year are discussed below.

Critical areas of judgement:

The recoverability of the amounts due from former trustees is deemed to be a significant judgement in view of the nature of the debt and the ongoing investigations.

Cardiff Educational Endowment Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2023**

3. INVESTMENT INCOME

	2023	2022
	£	£
Distribution income	131,420	-
Deposit account interest	2,885	94
	<u>134,305</u>	<u>94</u>

4. INVESTMENT MANAGEMENT COSTS

	2023	2022
	£	£
Portfolio management	10,499	-
	<u>10,499</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Support costs (see note 6) £
Grant making educational	<u>36,788</u>

6. SUPPORT COSTS

	Governance costs £
Grant making educational	<u>36,788</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

8. STAFF COSTS

The average number of persons employed by the company during the year was nil (2022: nil).

No employee received remuneration amounting to more than £60,000 in either year.

Cardiff Educational Endowment Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2023**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Investment income	94
EXPENDITURE ON	
Charitable activities	
Grant making educational	55,941
Net gains/(losses) on investments	(48,206)
NET INCOME/(EXPENDITURE)	(104,053)
RECONCILIATION OF FUNDS	
Total funds brought forward	4,541,191
TOTAL FUNDS CARRIED FORWARD	4,437,138

10. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £2,900 (2022: £2,500).

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2022	3,687,140
Additions	977,552
Disposals	(294,204)
Revaluations	(135,644)
At 31 August 2023	4,234,844
NET BOOK VALUE	
At 31 August 2023	4,234,844
At 31 August 2022	3,687,140

There were no investment assets outside the UK.

Cardiff Educational Endowment Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2023**

11. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 August 2023 is represented by:

	Listed investments £
Valuation in 2023	(21,043)
Cost	4,255,887
	<u>4,234,844</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	8,916	7,825
Accruals and deferred income	4,680	5,025
	<u>13,596</u>	<u>12,850</u>

13. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	4,437,138	(48,626)	4,388,512
	<u>4,437,138</u>	<u>(48,626)</u>	<u>4,388,512</u>
TOTAL FUNDS	<u>4,437,138</u>	<u>(48,626)</u>	<u>4,388,512</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	134,305	(47,287)	(135,644)	(48,626)
	<u>134,305</u>	<u>(47,287)</u>	<u>(135,644)</u>	<u>(48,626)</u>
TOTAL FUNDS	<u>134,305</u>	<u>(47,287)</u>	<u>(135,644)</u>	<u>(48,626)</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	4,541,191	(104,053)	4,437,138
	<u>4,541,191</u>	<u>(104,053)</u>	<u>4,437,138</u>
TOTAL FUNDS	<u>4,541,191</u>	<u>(104,053)</u>	<u>4,437,138</u>

Cardiff Educational Endowment Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2023**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	94	(55,941)	(48,206)	(104,053)
TOTAL FUNDS	<u>94</u>	<u>(55,941)</u>	<u>(48,206)</u>	<u>(104,053)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.21 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	4,541,191	(152,679)	4,388,512
TOTAL FUNDS	<u>4,541,191</u>	<u>(152,679)</u>	<u>4,388,512</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	134,399	(103,228)	(183,850)	(152,679)
TOTAL FUNDS	<u>134,399</u>	<u>(103,228)</u>	<u>(183,850)</u>	<u>(152,679)</u>

14. CONTINGENT ASSETS

As at 31 August 2023 the charity has a contingent asset in respect of an ongoing legal claim. The value of the claim has not been disclosed on the basis that stating an amount may prejudice the outcome of the legal dispute. The charity believes that the settlement of the claim could result in a significant future financial benefit.

Cardiff Educational Endowment Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2023**

15. RELATED PARTY DISCLOSURES

During the year the charity incurred costs of £26,438 (2022: £11,087) from Womble Bond Dickinson (UK) LLP in respect of the Interim Manager's work. These fees have been scrutinised and approved by the Charity Commission. The Interim Manager is a partner at Womble Bond Dickinson (UK) LLP.