

# New Barnet Parochial Schools Trust

## Year Ended 31 December 2021

### Trustees' Annual Report and Review of Financial Activities

#### **Background**

##### **Original Deed of Trust 1869**

The first trust was a deed of conveyance executed on 3rd July 1869 by the original benefactor, George Hankey, who provided land “for a school for the education of children and adults or children only of the labouring manufacturing and other poorer classes in the district aforesaid and for no other purpose” to be held on trust by the vicar and chapelwardens of Holy Trinity Lyonsdown for ever hereafter. He further stipulated that “the principal officiating minister for the time being of the said chapelry shall ... have the superintendence of the religious and moral instruction of all the scholars attending such school and may use or direct the premises to be used for the purpose of a Sunday School under his exclusive control and management”. The said minister shall chair a management committee responsible for the appointment of the school master/mistress and assistants and “the instruction at the said school shall comprise at the least the following branches of school learning namely reading writing arithmetic geography scripture history and (in the case of girls) needlework and it is hereby further declared that it shall be a fundamental regulation and practice of the said school that the Bible be daily read therein”.

##### **Schools Sites Act 1841**

The deed was made under the authority, and for the purposes, of the Schools Sites Acts 1841 and 1844 for affording facilities for the conveyance and endowment of sites for schools. The 1841 Act applied to “a site for a school for the education of poor persons, or for the residence of the schoolmaster or schoolmistress, or otherwise for the purposes of the education of such poor persons in religious and useful knowledge” with the proviso “that upon the said land so granted as aforesaid, or any part thereof, ceasing to be used for the purposes in this Act mentioned, the same shall thereupon immediately revert to and become a portion of the said [benefactor’s] estate” (Section 2).

In making the 2008 Scheme, the Charity Commission [letter of 23/09/08] accepts that: “The trusts were originally for a school for the poor. The Nursery is a school, it is a maintained school and we can assume therefore that in as much as the area of benefit contains poor persons they will still attend. ... We agree with you that reverter has not been triggered as the school continues.”

##### **Leases of the Schools Site 1905 and 2010**

The New Barnet Parochial Schools originally consisted of infant and junior (mixed) departments, although the infants and girls schools moved to new premises in 1900, leaving the boys at Margaret Road. The schools were administered by the East Barnet Schools Board from 1894 until it was abolished

by the Education Act 1902. In 1905 the vicar and chapelwardens leased the newly constituted Margaret Road Council School to the Local Education Authority for 81 years at a peppercorn rent. The vicar, who had previously chaired the managers and the Schools Board, continued as chairman of the board of governors. Provision was made in the 1905 lease for the church Sunday School to continue to meet on the school premises, which it did until the church hall was built in 1921.

The vicar and churchwardens (successors to the original vicar and chapelwardens) only rediscovered their responsibilities as Trustees in 2006 when the Council sought an extension to the 1905 lease. Having agreed that a reverter had not occurred under the 1841 Act, since the premises had remained a school, the Trustees reviewed the provisions of the 1869 Deed. They considered that the present St Margaret's Nursery School no longer provided spiritual and moral instruction, the teaching of scripture (and other subjects), or daily Bible reading, so the purposes of the trust would have to be fulfilled by charging the Council a market rent which could in turn be applied to charitable purposes. The original objects were varied by a Charity Commission Scheme of 2008 to provide for income from the new lease which was completed in 2010 and arrears of rent (from November 2007) were received on 9th April 2010.

## **Aims and Purposes**

### **Charity Commission Scheme 2008**

The object of the New Barnet Parochial Schools Trust (referred to as "the Trust" in this report) is, for the public benefit, to advance the education of children and adults resident in the parishes of New Barnet, East Barnet or Lyonsdown, who are in need of financial assistance ("beneficiaries") through:

- (1) the provision of a site for a School in accordance with the existing trusts; and
- (2) the provision of items, services and facilities for the Nursery School;
- (3) making grants or loans to beneficiaries for any or all of the following purposes:
  - (a) to assist them to pursue a course of study at any school, university, college of education, or other institution of further education approved for the purpose by the trustees;
  - (b) to enable them to participate in extra-curricular activities, educational trips or travel abroad to pursue their education;
  - (c) to assist their entry into a profession, trade or calling;
  - (d) assisting in the provision of a Sunday School.

## **Objectives and Activities**

The Trust's role is to manage the rental income from the Council and apply it for charitable purposes in accordance with the 2008 Scheme. The strategy adopted until 2021 was to facilitate the provision of a Sunday School and supporting activities based within the facilities owned by Holy Trinity Lyonsdown. However the current trustees have identified that in later years this practice has not entirely satisfied the aim of the Trust to provide access to children resident in the three subject parishes; nor has it stimulated growth in Christian education by establishments other than the parish church of Lyonsdown itself. The Trustees

plan to introduce policies to ensure compliance with the aims of the Trust, to ensure the fair and equitable allocation of funds to qualifying applicants, and to challenge the integrity of teaching provided by potential benefactors before grants are made.

### **Benefits following from the Aims**

Christian teaching is available through established churches of several denominations within the three parishes to all people free of charge without restriction (even if they live outside the area of benefit or are not in financial need) and represent a broad spectrum of local ethnic groupings.

Awareness and understanding of the Christian faith contribute to the spiritual and moral education of children and youth. Teaching the Bible to young people in a cohesive way and with integrity helps them understand the totality of the message and the true meaning of God's love and the promise He has made through the death and resurrection of Christ Jesus.

The current Trustees are acutely alert to safeguarding issues and risks to children and other vulnerable people, and to the dangers of false or biased teaching. They therefore intend to develop policies to ensure full and proper safeguarding practices and Christian teaching which fulfils the aims of the original benefactor and the 2008 Scheme before any further grants are made.

### **Achievements and Performance**

Rental income of £63,500 was received over the year, the same amount as in 2020. During 2021, grants amounting to £18,593 were awarded to assist a local Sunday School (£65,927 in 2020). The current trustees have been advised that in spite of the coronavirus pandemic, the number of children attending on a Sunday at assisted Sunday Schools was maintained through 2021 and the teaching was adapted to make use of online services when it was not possible to meet face to face, but are unable to confirm this from personal experience.

### **Financial Review and Financial Policies**

Over the year there was a net operating surplus of £42,505 before unrealised gains (£2,326 deficit in 2020). The surplus was due to a decrease in the grants awarded.

### **Reserves Policy**

"Reserves" describe that part of the funds that is freely available for general purposes at the discretion of the Trustees, but which is not yet spent, committed or designated, i.e. surplus liquid assets excluding endowments, restricted funds, designated funds and fixed assets held for the purposes of the Trust.

The Reserves Policy sets the level of financial reserves, in line with the guidance issued by the Charity Commission, in order to maximise the resources available for the work of the Trust.

The level at which these reserves is set should be adequate to cover the following elements:

- normal working capital (say £2,000);

- six months' operating expenses of the Trust (say £30,000), or five years' overheads of managing the school (say £300,000) should the Council withdraw, whichever is the larger;
- any other contingencies or risks, assessed on the best evidence reasonably available, the likelihood of each of those needs arising, the possibility of support from elsewhere, and the potential consequences of the Trust not being able to meet those needs.

The target reserves figure for 2021, calculated on the basis of the above policy, is £302,000. There was £266,950 held in reserve on 31st December 2021, being the general funds of the Trust (£215,042 on 31st December 2020).

### **Grant-Making Policy**

The Trustees make grants from time to time as permitted in the 2008 Scheme. The beneficiaries are determined at the discretion of the Trustees and in future subject to the policies being developed to maintain the integrity of teaching and robust safeguarding precautions as set out above.

## **Investment Policy and Performance**

It is the responsibility of the Trustees to review the performance of all investments from time to time. To this end, during 2021, £194,000 was invested in a portfolio managed by Ruffer LLP, having taken appropriate advice. This already shows a gain of £9,403. The Trustees are also free to make loans as they see fit, but take advice on the terms and rate of interest before doing so.

## **Fund-Raising**

Fund-raising is not seen as necessary at present, as the required resources are provided by rental income.

## **Risk Assessment**

It is the responsibility of the Trustees to identify, assess and mitigate any major risks to which it is exposed.

Such risks include:

The Council withdrawing from the school lease at one of the two-yearly break points, having given 6 months' notice. Under these circumstances, the Trustees would take over the management of a school that would satisfy the Schools Sites Act 1841, so as not to risk the site reverting to the estate of the original donor.

## **Plans for the Future**

The Trustees plan to continue making grants in accordance with the 2008 Scheme as and when funds allow, and subject to the new policies referred to, in order to ensure safe and comprehensive Christian education.

## **Structure, Governance and Management**

### **Governing Documents**

The Trust was formed by Deeds of Conveyance executed on 3rd July 1869 (described above) and 5th November 1891 (endowing an additional piece of land for use as a playground) and varied by Schemes sealed on 16th February 1905 (allowing the premises to be leased to the Council at a peppercorn) and 11th November 2008 (see above). It was registered by the Charity Commission as Charity Number 1135862 on 10th May 2010.

### **Board of Trustees**

The Trustees at the start of the year were Charles W G Dobbie (chairman), Andrew R Fry and Paul Tivey, being the vicar and churchwardens of Holy Trinity Church, Lyonsdown, until 3rd March 2021 when they all vacated their positions. Two additional Trustees, Felicity Dobbie and William H Rugg, had been co-opted and in addition Jonathan Cranfield (temporary chairman) and L Mariano A Soto Gajardo were further co-opted 3rd March 2021 with the stated purpose of increasing the number of active trustees to four. The new priest in charge and churchwardens became ex-officio Trustees when they took up their posts: the churchwardens, Robert E Bayman and Jennifer F Robinson-Beswick, on 30th May 2021 and the priest in charge, the Revd Laura J Hewitt, on 3rd October 2021. Although the appointment of the ex-officio trustees fulfilled the requirements of the 2008 scheme the additional persons chose to remain in place, but it was

subsequently identified that their appointment had not been carried out in accordance with the provisions of the Scheme, and were invalid.

Changes to the rules of the Trust were submitted to the Charity Commission in October 2021 without the knowledge of the ex-officio trustees, who have since undertaken to review the changes and the rules and provisions in their entirety to ensure the correct functioning of the Trust in future.

The Trustees meet at least twice a year, two Trustees forming a quorum. Alternatively, decisions may be taken by means of a resolution in writing, signed by all the Trustees. The induction and training of new trustees is based on the comprehensive information available from the Charity Commission website.

### **Associated Charities**

The Trustees of this Trust are also Trustees of Holy Trinity Lyonsdown Parochial Church Council (known as the PCC). This was the intention of the founder and cannot be varied. It is not considered that the PCC is a 'related party' to the Trust so as to require further disclosure, given the entirely separate aims of the respective Trusts.

The current trustees are, however, reviewing the process of allocating funds to apply robust precautions against any conflict of interest in future.

### **Administrative Information**

The Trust is based at 18 Lyonsdown Road, New Barnet, Hertfordshire EN5 1JE and the secretary is Robert Bayman c/o the same address. A bank account in the name of New Barnet Parochial Schools Trust is held with CAF Bank Ltd., PO Box 289, West Malling, Kent ME19 4TA.

### **Annual Report approved by the Trustees and signed on their behalf by:**

The Revd Canon Laura Hewitt (chairman)  
2022

26 October

# Statement of Financial Activities

	note	2021 total unrestricted £	2020 total unrestricted £
<b>INCOME</b>			
<b>Income from charitable activities</b>			
Rent from St Margaret's School		63,500	63,500
<b>Investment income</b>			
Bank interest	4	4	161
<b>Total INCOME</b>		<u>63,504</u>	<u>63,661</u>
<b>EXPENDITURE</b>			
<b>Expenditure on charitable giving</b>			
Grant funding	2	18,689	65,987
School premises (surveyors report)	2	2,310	-
<b>Total EXPENDITURE</b>		<u>20,999</u>	<u>65,987</u>
<b>NET INCOME / (EXPENDITURE)</b>		42,505	(2,326)
<b>GAINS / (LOSSES) ON REVALUATION OF FIXED ASSETS</b>			
Unrealised – investments	3b	<u>9,403</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		51,908	(2,326)
<b>BALANCES BROUGHT FORWARD</b>		215,042	217,368
<b>BALANCES CARRIED FORWARD</b>		<u>266,950</u>	<u>215,042</u>

## Balance sheet

<b>ASSETS</b>	note	2021 £	2020 £
Fixed Assets			
Investments – Ruffer LLP	3b	203,403	-
<b>Totals</b>		<u>203,403</u>	<u>-</u>
Current Assets			
Cash at bank		63,547	215,042
<b>Totals</b>		<u>63,547</u>	<u>215,042</u>
<b>NET ASSETS</b>		<u>266,950</u>	<u>215,042</u>
<b>FUNDS</b>	note	2021 £	2020 £

Unrestricted funds			
General funds		266,950	215,042
Designated funds		-	-
<b>FUNDS TOTALS</b>	6	<u>266,950</u>	<u>215,042</u>



# Notes to the Accounts

## 1. Accounting Policies

The financial statements have been prepared in accordance with the 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) amended to February 2016 (Update Bulletin 1); the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) amended to July 2015; and the Charities Act 2011.

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

The financial statements have been prepared under the historical cost convention.

The regular rental income ensures the Trust's future sustainability.

### 1a Funds

General funds represent the funds of the Trust that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Trust. The financial statements include all transactions, assets and liabilities for which the Trustees are responsible in law.

### 1b Income

Income and endowments are included in the Statement of Financial Activities when the Trust becomes legally entitled to the use of the resources; inflow of economic benefit is probable; and the monetary value can be measured with sufficient reliability. Rental income is recognised when the rental is due.

Amounts owing to the Trust on 31 December in respect of rents or other income are shown as debtors, less provision for any amounts that may prove uncollectable.

### 1c Expenditure and Liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation and settlement is probable and quantifiable.

Grant funding is recorded when paid over, or when awarded if that award creates a constructive obligation on the Trustees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### 1d Fixed Assets

Tangible fixed assets for use by the charity are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or else, for gifts-in-kind, at a reasonable estimate of their open market value on receipt. For land and buildings, see Note 3.

Depreciation is calculated to write off the capitalized cost of fixed assets less their currently anticipated residual fair value over their estimated useful lives.

Social investments are shown at historic cost with accrued interest added.

### 1e Statement of cash flows

The financial statements do not include a statement of cash flows as the charity constitutes a small charity under the SORP as amended by Update Bulletin 1.

### 1f Support costs

Support costs represent expenditure that does not directly relate to a specific activity. All support costs have been allocated to charitable activities because any allocation between specific activities would be immaterial.

### 1g Cash at bank

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

## 2. Grant funding

Beneficiaries	Purpose	2021	2020
		£	£
Holy Trinity Lyonsdown Trust	Salaries	18,593	65,927
Support costs	Bank charges	96	60
		<b>18,689</b>	<b>65,987</b>

## 3. Fixed Assets

### 3a Property

The freehold land and buildings comprise the present St Margaret's Nursery School, Margaret Road, New Barnet, EN4 9NT. The Trustees hold the school in trust under the Schools Sites Act 1841, by which, should it ever cease to be a school within the meaning of the Act, the proceeds from the site would revert to the estate of the original donor. A capital valuation of the site and buildings is, therefore, not included in the financial statements.

### 3b Investments

£194,000 was invested in a portfolio with Ruffer LLP on 1st March 2021, and showed a gain of £9,403 by 31st December 2021.

## 4. Related Parties

The key management personnel of the charity constitute the trustees. There are no staff members.

The trustees received no remuneration during the year (none in 2020).

There were no other related party transactions during the year (none in 2020).

## 5. Fund Details

All charity funds are currently unrestricted. There were no restricted income funds in 2021.

## 6. Summary of Fund Movements

	1 Jan 2021	Income	Expenditure	Gains	31 Dec 2021
	£	£	£	£	£
General funds	215,042	63,504	(20,999)	9,403	266,950
Restricted funds	-	-	-	-	-

## 7. Analysis of Net Assets by Fund

	Tangible fixed assets	Other net assets	Total
	£	£	£
Fixed assets	203,403	-	203,403
Current assets	63,547	-	63,547
Liabilities	-	-	-
	<b>266,950</b>	<b>-</b>	<b>266,950</b>

**Approved by the trustees on 26 October 2022 and signed on their behalf by:**

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Revd. Canon Laura Hewitt

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Robert Bayman

## **Independent Examiner's Report**

The current Trustees do not have any cause to doubt the integrity of the accounts, but are not currently able to submit them for Independent Examination because certain documents have not yet been provided to them by the former Secretary to the Trustees.