

THE PADDINGTON CHARITIES

ANNUAL REPORT 2023

INTRODUCTION

This is the Annual Report of the Paddington Charitable Estates Educational Fund (Charity No. 312347) and the Paddington Relief in Need Charity (Charity No. 810132). The two organisations are distinct in terms of their beneficiaries, but organisationally they operate as one body. This is referred to as The Paddington Charities. They both derive income from the Paddington Charitable Estate (Charity No. 212102).

In accordance with the scheme approved by the Charity Commission, the net annual income of the Paddington Charitable Estate is transferred to the Educational Fund (four-fifths) and the Relief in Need Charity (one-fifth).

The Registered Office is 19th Floor, Westminster City Hall, 64 Victoria Street, London SW1E 6QP. The Trustees are : Honorary Alderman Michael Brahams, The Reverend Gary Bradley, Honorary Alderman Jan Prendergast, The Reverend Alastair Thom, Honorary Alderman Barrie Taylor, Councillor Barbara Arzymanow, Councillor Cara Sanquest, The Reverend David Ackerman and Councillor Margot Bright.

ACTIVITIES OF THE CHARITIES

THE EDUCATIONAL FUND

Background

The income from the Educational Fund is applied in a variety of different ways so as to meet the objectives of the Charity's scheme. Essentially it is there to provide support for people under the age of 25, who are resident in the area of the former Metropolitan Borough of Paddington and who, in the Trustees' opinion, are in need of financial assistance to enable them to pursue their education.

This support can be given in terms of scholarship or bursaries to schools and other places of learning; individual educational trips; provision of financial support to assist individuals to enter into a profession, trade, or to study music and other arts; or financial assistance generally in the education of people meeting the criteria of the scheme. The Fund also makes an annual contribution to the running of voluntary-aided Church of England schools in Paddington to be used to keep those schools in good repair or make physical alterations so that they can continue to provide proper education for their pupils.

Grants to Schools

So far as application of charity funds to the voluntary schools is concerned, there are currently eight such schools in the Paddington area. One is a secondary school and the remainder are primary schools. The practice of Trustees has been to decide how much money should be allocated, which in 2022 was £70,000, and then to apportion this to the various schools on a per capita basis according to the number of pupils resident in Paddington on each school roll. The total number of children assisted in this way was around 1,400 in 2022.

Grants to Organisations

Trustees have traditionally made grants to organisations providing activities for children and young people within Paddington. Last year, these amounted to £22,600 including grants to Avenue Youth Project, Westbourne Park Family Centre, Queens Park Bangladesh Association, and St John's Church. Various Paddington organisations are assisted in providing holiday and other activities. These have included making grants to schools to enable them to take pupils on summer outings, and to other organisations to allow them both to take children on summer trips and to provide supervised activities and play during school holidays.

Grants to Individuals

A number of grants to individuals are approved each year. These are made, entirely at Trustees' discretion, to people falling within the scope of the scheme to assist in some way in furthering their education. Grant assistance may be given with school and course fees, and school uniforms. Total grants in 2022 amounted to £2,600.

RELIEF IN NEED

Background

The Welfare Fund is used for the relief of need and sickness of persons resident in the area of Paddington. There are, within the scheme, two specific restrictions that are placed on the Trustees. They may not use funds to relieve money available from public funds (although they may supplement income derived from these sources), and they may not commit themselves to any on-going support in any case, except pensions.

Grants to Individuals and Organisations

Grants are made to individuals in response to specific requests. In the main, these involve assistance with the purchase of furniture and household equipment, clothing, and arrears of bills (telephone, gas and electricity). In 2022, grants to individuals amounted to £1,500. Grants to organisations amounted to £2,000 last year, being contributions towards Christmas lunches provided by Age UK (£2,000).

Pensions

A half yearly pension is paid to up to 75 elderly Paddington residents in need. Nominations to the scheme are made by Age UK. A small Christmas bonus is also paid to these pensioners. The total expenditure in 2022 amounted to £9,600.

Food Coupons

A food coupons scheme has been devised as a way of giving non-cash assistance to people in need. Coupons are allocated to local vicars for distribution to needy people. The value of the redeemed coupons stood at £3,300 in 2022 and the scheme is regarded by the agencies that distribute them as meeting a very acute social need. We are very grateful to these agencies for their help in enabling us to reach deserving recipients.

Grants for Immediate Aid in Need

All clergy in the Paddington area are offered £200 for "Immediate Aid in Need" during the year. This is intended to be given in small cash amounts as and when required. The initiative complements the food coupons scheme providing a cushion for people in dire need. The vicars are asked to provide a list of people given financial support so that the residential qualifications can be checked.

GOVERNANCE

The Trustees meet twice a year and receive a presentation from the investment fund managers, Cazenove Capital Management, on the portfolio strategy, performance and outlook. The Charities' financial activities and balances are also reviewed at each meeting. Between meetings, the Chairman and/or the Vice-Chairman (plus up to three other Trustees) consider grant applications and their decisions are reported to the next Trustee meeting.

SUMMARY

Both the Education and the Relief in Need Charities continue to assist and sustain a number of individuals and organisations who are in financial need. The type of assistance given is diverse and specifically targeted at identified areas of need, both in the educational and welfare fields where other agencies cannot help. Indeed, the Charities' schemes preclude their giving financial assistance when this is available to applicants from a public authority.

APPROVED BY THE TRUSTEES ON 27TH MARCH 2023

SIGNED
Chairman of the Trust

Report of	:	Accountant and Financial Adviser
To	:	Trustees' Meeting
Date	:	27 March 2023
Subject	:	Accounts for the year 2022

The attached statements summarise the Accounts for the year ended 31 December 2022.

Accounts for the year ended 31 December 2022

The 2022 Accounts comprise of a Statement of Financial Activities, Consolidated Balance Sheet and explanatory Notes (including Cash Flow statement). The Accounts have been prepared in accordance with the SORP requirements for Charities and the Financial Reporting Standard (FRS102).

The 2022 Statement of Accounts will be audited and the Annual Returns, together with the Annual Report, will be submitted to the Charity Commission.

The main features of note are :

General

Dividends and interest amounted to £126,000. This is an increase of £4,000 over both the income in 2021 and the budget figure for 2022 (£122,000).

The amount available for transfer to the Education and Relief in Need Funds was £82,000 (compared with £79,000 in 2021).

Education Fund

Annual grants totalling £70,000 were agreed for voluntary schools (compared with £65,000 in 2021).

There was a significant increase in grants to other organisations. These amounted to nearly £23,000 (compared with only £3,000 in 2021).

Grants to individuals totalled nearly £3,000 (compared with around £5,000 in 2021).

A revenue surplus of nearly £62,000 is carried forward on the Education Fund (compared with £70,000 in the previous year).

Relief in Need

The Relief in Need Charity continues to pay for pensions (£9,600 in 2022), food coupons (£3,300), distribution of immediate aid by Churches (£2,100), and grants to individuals and to organisations (£3,500). These payments totalled £18,500 in 2022 (compared with £21,900 in 2021).

Market Value

The market value of listed investments at 31 December 2022 was £3.0 million. This is a reduction of 10.3% on the valuation at 31 December 2021.

Budget for 2023

The budget forecast for 2023 is attached, together with a comparison of the budget and outturn for 2022.

D K Gann
Accountant and Financial Adviser.

**PADDINGTON CHARITABLE ESTATES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Details	Note	Charitable Estates (Endowment)	Education Fund	Relief in Need (Part Endowment)
		£	£	£
INCOME	1			
Dividends and Interest		94,133	22,520	9,493
TOTAL INCOME		94,133	22,520	9,493
EXPENDITURE	2			
Management & Administration	3	12,097	3,014	1,214
Food coupons		-	-	3,260
Pensions	4	-	-	9,640
Annual Grants to Schools	5	-	70,000	-
Grants to Organisations	6	-	22,622	2,000
Grants to Individuals	7	-	2,623	1,477
Grants for immediate aid		-	-	2,100
TOTAL EXPENDITURE		12,097	98,259	19,691
NET INCOME (EXPENDITURE)		82,036	(75,739)	(10,198)
Transfers between Funds	8	(82,036)	65,629	16,407
Net purchases and sales of Investments		5,838	1,373	593
Balance brought forward at 01.01.22.		32,890	70,334	8,972
Balance carried forward at 31.12.22.		38,728	61,597	15,774

PADDINGTON CHARITABLE ESTATES
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

		2022	2021
		£	£
FIXED ASSETS			
Investments at market value:			
Listed Investments	9	3,010,239	3,356,811
CURRENT ASSETS			
Short-term Deposits			
COIF		26,107	25,855
Black Rock Charities UK Bond Fund		11,917	15,001
M & G Charibond		1,469	1,643
Cash at Bank - Royal Bank of Scotland		90,382	87,113
Cash at Bank - Barclays		23,734	23,280
Cash in Hand		59	282
		153,668	153,174
Less Current Liabilities - Creditors		1,869	2,020
NET CURRENT ASSETS		151,799	151,154
TOTAL ASSETS less Current Liabilities		3,162,038	3,507,965
FUNDS	10		
Charitable Estates		2,290,886	2,544,425
Education Fund		626,754	699,653
Relief in Need		244,398	263,887
		3,162,038	3,507,965

APPROVED BY THE TRUSTEES ON 27 MARCH 2023

PADDINGTON CHARITABLE ESTATES

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

General

These Accounts relate to the Paddington Charitable Estate (Charity No. 212102), the Paddington Charitable Estates Educational Fund (Charity No. 312347), and the Paddington Relief in Need Charity (Charity No. 810132). These three Charities are distinct in terms of their beneficiaries but are managed by one board of Trustees. The Paddington Charitable Estate is an endowment Charity providing income for the Educational Fund and Relief in Need Charities.

The Paddington Charitable Estates Educational Fund incorporates the former Miss Hawkins Woodfield Foundation.

Accounting Policies

The Accounts comply with the Statement of Recommended Practice (SORP) on Accounting and Reporting applicable to Charities, issued by the Charity Commission, and providing guidance on how to apply the Financial Reporting Standard (FRS 102).

The Accounts comprise of :

- A Statement of Financial Activities for the year that shows all investment income to the Charities and all expenditure incurred, being mainly grants to organisations and individuals;
- A Consolidated Balance Sheet that shows the assets, liabilities and funds of the Charities; and
- These Notes which expand upon the accounting statements referred to above and include a Cashflow Statement and an explanation of the basis for transfers between funds.

Further information on the general financial position is contained within the Annual Report which should be read in conjunction with the Accounts.

Listed investments are shown in the Balance Sheet at market value, and the Notes to the Accounts show the original cost (or book value) of these investments.

Sums due to or from the Charities are recorded at the time they become due or payable.

Notes to the Statement of Financial Activities

1. Income

The comparison of income for all funds with the previous financial year is as follows:

	Total Funds	
	2022	2021
	£	£
Dividends and Interest		
Multi-Asset Funds	115,700	112,617
Property	17,058	16,490
Bonds and Deposits	1,041	537
	133,799	129,644
Less Management Fees	7,653	7,801
Total Dividends and Interest	126,146	121,843

2. Expenditure

The comparison of expenditure for all funds with the previous financial year is as follows:

	Total Funds	
	2022	2021
	£	£
Management and Administration	16,325	15,528
Food coupons	3,260	5,460
Pensions	9,640	10,570
Grants to Schools	70,000	65,000
Grants to Organisations	24,622	4,200
Grants to Individuals	4,100	6,917
Grants for Immediate Aid	2,100	3,100
Total Expenditure	130,047	110,775

None of the Trustees have been paid any remuneration or received any other benefits from an employment within the Charities or a related entity, and no trustees expenses have been incurred.

3. Management and Administration

The management and administration expenditure is mainly comprised of fees payable to Westminster City Council for the day-to-day administration of the Charities and ongoing support to Trustees (£10,700), accounting and financial advice provided to Trustees (£4,190), the audit of annual accounts (£642) and miscellaneous expenses (including postage and stationery) (£727). The expenditure is allocated to funds on the basis of investment income.

4. Pensions

A pension is paid to up to 75 elderly Paddington residents in need. Nominations to the scheme are made by Age UK. The annual amount was £200 plus a Christmas bonus of £35.

5. Annual Grants to Schools

Grants are made to the voluntary aided or special arrangement Church of England Schools in Paddington towards the purchase of sites, building works, or alterations and repairs. A total grant of £70,000 for 2022 was apportioned to eight schools on the basis of the number of Paddington pupils on each school roll.

6. Grants to Organisations

Grants are made to organisations operating within Paddington. These include activities and outings for youth and children. A grant was also made to Age UK for Christmas lunches.

7. Grants to Individuals

Grants are made at the discretion of Trustees to assist individuals in furthering their education or in meeting welfare needs for the purchase of furniture and household equipment.

8. Transfers between Funds

The net annual income of the Paddington Charitable Estate is transferred to the Education Fund (four-fifths) and the Relief in Need Charity (one-fifth) in accordance with the Scheme approved by the Charity Commission.

Notes to the Balance Sheet

9. Listed Investments

The listed investments are shown at market value and categorised as follows:

	2022	2021
	£	£
Multi-Asset Funds	2,641,240	2,957,110
Property	368,999	399,701
Total Market Value	3,010,239	3,356,811

The historic cost of these investments was £2,888,149 (2021 : £2,895,170).

The Permanent Endowments included above are as follows:

	2022 £	2021 £
Charitable Estates	2,252,158	2,511,535
Relief in Need	85,559	95,401
	2,337,717	2,606,936

10. Funds

The analysis of fund balances is as follows:

	Charitable Estates £	Education Fund £	Relief in Need £	Total Funds £
Balances at 01.01.22.	2,544,425	699,653	263,887	3,507,965
Reduction in investment values	(259,377)	(60,904)	(26,291)	(346,572)
Increase in current balances	5,838	(8,737)	6,802	3,903
Reduction in bond values	-	(3,258)	-	(3,258)
Balances at 31.12.22.	2,290,886	626,754	244,398	3,162,038

Consolidated Cash-flow Statement for the year ended 31 December 2022

			£	£
Net cash flow from operating activities:				
Net Expenditure per Statement of Financial Activities				(3,901)
Decrease in Creditors				(151)
Investing activities :				
Net purchases and sales of investments				7,804
Decrease in value of deposits				(3,258)
Increase in cash and cash equivalents (as shown below)				494
	<u>2022</u>	<u>2021</u>	<u>Change</u>	
	£	£	£	
Short term deposits	39,493	42,499	(3,006)	
Cash at Bank	114,116	110,393	3,723	
Cash in Hand	59	282	(223)	
	153,668	153,174	494	
Cash and cash equivalents at December 2021				153,174
Cash and cash equivalents at December 2022				153,668

PADDINGTON CHARITABLE ESTATES BUDGET 2023

	2021 Actual £	2022 Budget £	2022 Actual £	2023 Budget £	Notes
INCOME					
Dividends & Interest, etc.	121,843	122,000	126,146	125,000	1
TOTAL INCOME	121,843	122,000	126,146	125,000	
EXPENDITURE					
Management & Administration	15,528	15,800	16,325	16,400	
Food coupons	5,460	5,500	3,260	4,000	
Pensions	10,570	11,000	9,640	10,000	
Grants to Schools	65,000	70,000	70,000	70,000	2
Grants to organisations	4,200	15,000	24,622	22,000	
Grants to individuals					3
- education	5,378	6,000	2,623	2,500	
- welfare	1,539	4,000	1,477	3,500	
Grants for immediate aid	3,100	3,000	2,100	2,400	
TOTAL EXPENDITURE	110,775	130,300	130,047	130,800	
SURPLUS/(DEFICIT)	11,068	(8,300)	(3,901)	(5,800)	4

Notes:

1. It is assumed that net dividend income will be a little below the level in 2022.
2. It is assumed for budget purposes that the annual grants to schools will be retained at £70,000 - this is subject to a decision by the Trustees.
3. There are currently no school placements
4. The 2023 budget shows a net deficit of £5,800 (i.e. a deficit of £8,700 for education and a surplus of £2,900 for welfare). This would leave estimated balances at the end of 2023 of £52,900 for education and £18,700 for welfare.

PARKER BIRCH
23 St Peters Road
Great Yarmouth, Norfolk NR303BQ

The Trustees of the Paddington Charitable Estates
C/o Mr D Gann
2 Woodmere Way
Beckenham
Kent
BR3 6SL

16th June 2023

Dear Sirs
PADDINGTON CHARITABLE ESTATES AND PADDINGTON WELFARE CHARITIES

I have reviewed the books and records maintained by the Trustees and have completed the following audit tests on the transactions:

- (a) a sample of 40 cheque payments was taken. Each payment was vouched to supporting documentation and the posting in the nominal ledger was verified;
- (b) a sample of 16 income transactions recorded on the bank statement was taken. Each item was vouched to supporting documentation and the posting in the nominal ledger verified;
- (c) the trial balance was checked to the nominal ledger:
- (d) the figures in the accounts prepared were agreed to the trial balance;
- (e) balance sheet items were checked to supporting documentation;
- (f) cash payments and receipts were totalled and agreed to the reconciled bank balances shown in the accounts at 31 December 2022
- (g) minutes of the Trustees Meetings were examined.

Based on this review and the audit tests completed, I would conclude that the Statement of Accounts is a true and fair representation of the transactions of the Paddington Charitable Estates and Paddington Welfare Charities for the year ended 31 December 2022.

If you have any queries on this matter, please contact me on 07933 075025.

Yours faithfully

Nick Parker

NICK PARKER FCA