

311048

WATFORD GRAMMAR SCHOOLS FOUNDATION

ANNUAL REPORT AND ACCOUNTS
FOR YEAR ENDING

31 AUGUST 2021

Charity Number 311048

Trustees' Annual Report and Accounts

31 August 2021

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TRUSTEES' REPORT

The Trustees present their annual report together with the independently examined accounts of the Foundation for the year ended 31 August 2021

Background

The charity, now known as The Watford Grammar Schools Foundation, dates from 1704 when a Free School was founded in Watford by Elizabeth Fuller. For nearly 200 years her original building, which still stands beside the Parish Church, was used for the education of 40 boys and 20 girls. By 1884 the original bequests had become insufficient, so a fresh start was made with greatly increased funds in new buildings, first as the Watford Endowed Schools and later as the Watford Grammar Schools. The girls then moved into new premises in Lady's Close and in 1912 the boys moved to the present site in fields off the Rickmansworth Road.

Before 1927 the schools were direct grant schools and later became Voluntary Controlled schools operated by Hertfordshire County Council. In 1990 and 1991 the schools achieved Grant Maintained status but September 1999 saw the abolition of that status and the schools became Voluntary Aided.

As from 1 September 2010, the schools (with the approval of the Foundation) were converted to Academies under the Academies Act 2010.

The Foundation is registered as a charity under number 311048.

Governing Scheme

The Charity Commissioners approved a revised Scheme for the Foundation on 4 September 2006. The Scheme states that, when complete, the body of Trustees shall consist of eleven persons being -

Seven nominated Trustees

Two appointed by the Governing Body of the Watford Grammar School for Boys, and
Two appointed by the Governing Body of the Watford Grammar School for Girls,
One appointed by the University of Oxford
Two appointed by the University of London

No more than three co-opted Trustees

Appointed by a resolution of the Trustees passed at a special meeting as defined by the scheme

One ex-officio Trustee

The Vicar for the time being of the Ecclesiastical Parish of Watford

The Nominated and Co-opted Trustees are appointed for a term of four years.

DETAILS OF TRUSTEES serving during the year are as follows

Appointed by Governors of Watford Grammar School for Boys:

Bridget Lyne	term expires 31 August 2025
Peter Nunn	term expires 31 August 2023

Appointed by Governors of the Watford Grammar School for Girls:

David Edward Arrighi	term expires 31 August 2025
Percy McCloskey	term expires 31 August 2023

Appointed by the University of London:

Gill Collison	term expires 31 August 2023
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Coopted:

Tim Cosgrove	term expires 31 August 2023
Fiona Shore	term expires 31 August 2023
Stephen Nokes	term expires 31 August 2023

Ex-officio:

Rev Tony Rindl	assumed office as Vicar of Watford as an ex officio Trustee in February 2013
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Principal Activities

- (i) To apply the Foundation's land and the buildings thereon used for the purposes of charitable schools and in furtherance of the Objects of the charity.
- (ii) To consider and, if appropriate, to agree proposals with regard to the use of land detailed in the Scheme dated 4 September 2006 or otherwise owned by the Foundation.
- (iii) To advise on any known restrictions applicable to the land detailed in the Scheme dated 4 September 2006 and otherwise owned by the Foundation.
- (iv) To advise the Governing Bodies of the Schools on any significant matter affecting the Foundation.
- (v) To appoint Foundation Governors to the Schools' governing bodies.
- (vi) To ensure that the income received from bequests and other sources is available to the Boys' Grammar School or Girls' Grammar School as appropriate and that, in the case of restricted income, it is used for the purpose intended by the donor.
- (vii) To take all reasonable steps to maintain the value of any bequest and the income from the bequest.

Review of Activities

In order to comply with the restrictions imposed by the COVID pandemic and still meet the terms of the Trust Deed, the Trustees held 1 meeting during the year ended 31 August 2021. The meeting was held via Google meet on 25 January 2021 when the previous year's accounts were approved by the Trustees. Trustees expressed their thanks once again to Mr David Adams for examining the accounts and also for agreeing to offer his services for a further year.

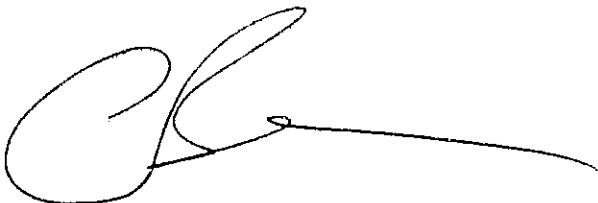
The Foundation appoints the majority of Governors (now known as Directors) to the two schools. There were no new appointments during the year but Trustees did confirm the re-appointment of two Governors to the Girls' school. At year end there was an outstanding vacancy on the Boys' Governing body which was filled subsequently in September 2021.

The Trustees regularly monitor the performance of the Foundation's investments to ensure they meet future obligations. Any surplus is either reinvested or otherwise made available to the schools; in May 2021 the Foundation granted £20,000 to each school to fund the development of sports and CCTV facilities.

Both schools have been required to amend their corporate constitutions to meet the ever-changing demands of the regulators. The Foundation's own constitution remained under review during the year and the situation will be resolved upon completion of the schools' legal formalities. It is anticipated that the Foundation will continue to play a key role in the appointment of Governors as well as being represented on the respective Academy Trust companies.

The Trustees are only too aware of the unprecedented environment in which the two schools operated throughout 2020/21. The continued outstanding performance of both schools is due to the skill and dedication of the Head teachers, their respective leadership teams and staff and their Governing bodies. The Trustees wish to express their thanks and gratitude to all involved.

By order of the Trustees



Caroline Brown
Clerk to the Trustees
Watford Grammar School for Boys
Rickmansworth Road
Watford
WD18 7JF

17 January 2022

INDEPENDENT EXAMINER'S REPORT TO THE WATFORD GRAMMAR SCHOOLS FOUNDATION

I report on the accounts for the year ended 31 August 2021, which are set out on pages 7 and 8. The notes on pages 9 to 15 form part of the accounts as do the Annexes A and B detailing the prize trust funds administered by the Foundation.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

Basis of independent examiner's report

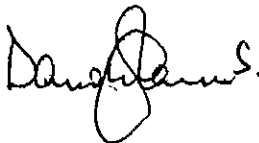
My examination was carried out in accordance with the General Directions given by the Charity Commissioners. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- a) which gives me reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with section 41 of the Act and to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



David Adams
23 Stanbury Avenue
Watford WD17 3HW

30 November 2021

**THE WATFORD GRAMMAR SCHOOLS FOUNDATION
RECEIPTS AND PAYMENTS ACCOUNTS**

1 SEPT 2020 to 31 AUG 2021

CHARITY NUMBER 311048

	COIF	Note	Unrestricted funds	Restricted funds	Endowment funds	Total	Total last year
RECEIPTS							
WBGS Prize Funds (Annex A)				4,738.12		4,738.12	4,644.93
WGGS Prize Funds (Annex B)				1,308.06		1,308.06	1,282.33
COIF unit income	05T	B10	2,570.46				
Endowment - West Drive	08T	B5					
Permanent Endowments - Saratt Hall	20T	B3			5,993.22	5,993.22	2,519.89
Endowment - Sale 1981/2	21T	B4			494.26	494.26	5,875.32
Whitwell & Monrose Farms	22T	B1			617.92	617.92	484.54
Permanent Endowment - 2006 sale	24T	B6			43.32	43.32	605.76
Platt Foundation		B7	599.17		17,171.62	17,171.62	42.47
COIF deposit interest	04C	B11	1.19			599.17	16,833.82
Speedwell Income		B8	30,847.50			1.19	1,103.44
Metropolitan Place ground rents		B9	2,800.00			30,847.50	35.81
Other income						2,800.00	20,795.04
							2,700.00
							130.92
TOTAL RECEIPTS			36,818.32	6,046.18	24,320.34	67,184.84	57,054.27
PAYMENTS							
Speedwell Expenses		B12	8,557.39			8,557.39	12,807.16
Governance & Professional Expenses		B13	3,887.99			3,887.99	1,410.11
Cheques to Schools - WBGS		B14/15	1,606.47	4,738.12	14,826.16	21,170.75	21,012.33
Cheques to Schools - WGGS		B14/15	1,606.48	1,308.06	9,450.86	12,365.40	12,380.17
Grants to Schools			40,000.00			40,000.00	
TOTAL PAYMENTS			55,658.33	6,046.18	24,277.02	85,981.53	47,609.77
Net of Receipts/(Payments)			- 18,840.01	-	43.32	18,796.69	9,444.50
CASH FUNDS							
		B16				15,697.72	34,494.41
Value of COIF Units last year							1,052,906.16
Change in value of COIF Units							23,469.77
Value of COIF Units this year							1,076,375.93
TOTAL FUNDS THIS YEAR END						1,282,744.27	1,110,870.34

BALANCE SHEET **WATFORD GRAMMAR SCHOOLS FOUNDATION** **AT 31 AUGUST 2021**

	COIF	Units	Unrestricted £	Restricted £	Endowment £	Total £	Previous £
CASH FUNDS AT YEAR END							
NatWest - bank account			7,751.07			7,751.07	26,547.76
COIF deposit General Fund Deposit	04C		7,946.65	-		7,946.65	7,946.65
SUB TOTAL			15,697.72	-	-	15,697.72	34,494.41
GENERAL FUND							
COIF units General Fund	05T	4,909.21	98,882.78	-	-	98,882.78	84,002.47
SUB TOTAL			98,882.78	-	-	98,882.78	84,002.47
ENDOWMENT							
COIF units: Endowment	20T	943.96		19,013.53		19,013.53	16,152.29
COIF units: Endowment - Sale 1981/2	21T	1,180.12		23,770.33		23,770.33	20,193.27
COIF units: Endowment - West Drive	08T	11,446.16		230,551.99		230,551.99	195,857.53
COIF units : Monrose Farm	22T	82.74		1,666.57		1,666.57	1,415.78
COIF units : Endowment 2006 sale	24T	32,795.28		660,572.37		660,572.37	561,166.60
SUB TOTAL				935,574.79	-	935,574.79	794,785.47
NET CURRENT ASSETS							
			114,580.50	-	935,574.79	1,050,155.29	913,282.35
COIF units: Boys' School prizes							
		9,049.13		182,270.29		182,270.29	154,841.47
COIF units: Girls' School prizes							
		2,498.16		50,318.69		50,318.69	42,746.52
NET CURRENT ASSETS Inc. School Prize Funds							
			114,580.50	232,588.98	935,574.79	1,282,744.27	1,110,870.34
FUNDS							
Restricted						232,588.98	197,587.99
Unrestricted						1,050,155.29	913,282.35
Total						1,282,744.27	1,110,870.34

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NOTES TO THE ACCOUNTS

31 August 2021

A. STATEMENT OF ACCOUNTING POLICIES

1. Accounting Convention

These accounts have been prepared on the "receipts and payments basis" and "statement of assets and liabilities" in accordance with section 42(3) of the Charities Act 1993 and the Charity Commissioners guide "Accounting for the Smaller Charity" dated October 1995.

2. Charity Commission Scheme

The Charity is registered under the Charities Act 1960 and has been administered in accordance with the Charity Commission Scheme dated 4 September 2006.

3. Unrestricted Funds

Unrestricted funds are assets, donations and other incoming resources received or generated for any of the Foundation's charitable purposes.

4. Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

5. Support costs and Management & Administration costs

The Trustees have agreed that these costs generally will be a charge to the General Fund to which unrestricted income is credited.

6. School Prize Funds

The general policy is that no payments are made in advance. The Trustees have agreed to pay out of each prize fund the whole of the income arising to that fund in the current year.

7. Investment Policy

The Trustees agreed an investment policy on 2 February 2006 as a result of which:

- (a) **Permanent Endowment Funds** are held in COIF units.
- (b) **Permanent Prize Funds** are held in COIF units.
- (c) **General Balances** are held in COIF units or as COIF deposits.

B. NOTES TO ACCOUNTS

1. Permanent Endowment – Monroe Farm

By a Deed of Indenture dated 5 March 1708 between Elizabeth Fuller and Silvester Chilcot (1) and Isaac Finch and others (2) a yearly rentcharge was created issuing and payable out of certain land at Crick, Northamptonshire and payable to the Trustees of The Free School of Watford in the County of Hertfordshire in fee simple. Subsequently, the rentcharge was apportioned with £34.50 being charged on the land now known as Monroe Farm (but formerly as Monro's Farm).

In accordance with the approach encouraged by the Charity Commission, on 31 March 2007 the Foundation redeemed the rentcharge for a capital payment of £1,000.00. The fund is invested in 82.74 COIF Investment Units (049950022T).

Its use appears to be unrestricted but, as a matter of policy over many years income has been applied equally between the two schools (Note B15).

2. Permanent Endowment – Whitwells Meadow

By a Deed of Indenture dated 5 March 1708 between Elizabeth Fuller and Silvester Chilcot (1) and Isaac Finch and others (2) a yearly rentcharge was created issuing and payable out of certain land at Crick, Northamptonshire and payable to the Trustees of The Free School of Watford in the County of Hertfordshire in fee simple. Subsequently, the rentcharge was apportioned with £5.67 being charged on the land now known as Whitwells Meadow.

Its use appears to be unrestricted but, as a matter of policy over many years (and recorded in 1992), this income has been applied equally between the two schools and, more recently has been used by the Schools in part or whole to fund the Schools' prizes.

The small sum due makes the rent uneconomic to pursue. Rent was last received in 1998 and the sum of £141.75 is outstanding at 31 August 2020. In accordance with the approach encouraged by the Charity Commission, the Foundation would be willing to consider redemption of the charge for a capital sum. It has been established that on 1 September 2000 the land was sold by P&O Estates Limited to Industrial Property Investment Fund. The new owners are unable to identify the section of land.

3. Permanent Endowment - Sarratt Hall

The sources of this endowment are unclear. The fund has been shown in the accounts of the Foundation as 'Permanent Endowment – Sarratt Hall' for many years and is understood to include the proceeds (£960) of the redemption of the rentcharge on Sarratt Hall, part of the founder's original settlement. The fund is invested in 943.96 COIF Investment Units (049950020T).

Its use appears to be unrestricted but, as a matter of policy over many years the income has been applied equally between the two schools (Note B15).

4. Permanent Endowment – Sale 1981/2

This fund represents the consideration received by the Foundation from the compulsory sale of part of the Girls' Grammar School site in 1981/2. The fund is invested in 1,180.12 COIF Investment Units (049950021T).

Its use is unrestricted but, as a matter of policy for many years, the income arising from its investment has been applied as a contribution to fund school prizes for the Girls' Grammar School (Note B15)

5. Permanent Endowment – West Drive

On 16 April 2002, the Foundation granted third party rights of way over that part of the Boys' Grammar School site known as the "West Drive". The consideration received included a cash payment of £90,000. The fund is invested in 11,446.16 COIF Investment Units (049950008T).

The fund is not restricted but, as a matter of policy, on 27 March 2002 (and subsequently amended to take account of the change to Academy Status), the Foundation agreed an exception – failing any substantial change in the financial circumstances of the trust and/or the schools – that the entire income therefrom would be paid to the Governors of the Boys' Grammar School towards capital projects at the school. (Note B15).

6. Permanent Endowment – 2006 sale

This fund represents the consideration of £334,056.03 received by the Foundation from the sale of part of the Boys' Grammar School site on 3 November 2006. The fund is invested in COIF units (0499500024T). Its use is unrestricted and the Foundation has agreed, as a matter of policy, to pay the income arising each year equally to the two Schools. (Note B15).

7. Foundation of Richard Platt

In 1882 the Foundation became entitled to benefit under The Foundation of Richard Platt (311055) which is managed by its corporate trustee, The Worshipful Company of Brewers. An annual, unrestricted payment is received from the Foundation of Richard Platt. As a matter of policy over many years this income has been applied equally between the two schools and, more recently, has been used by the Schools in part or whole to fund school prizes. The payment of £599.17 for 2020/21 was received on 30 June 2021 and is included in these accounts. (Note B15).

8. Speedwell

The freehold property known as 'Speedwell', 16 Shepherds Road, Watford forms part of the Foundation's unrestricted permanent endowment. It is contiguous to the Boys' Grammar School site and has been registered as a House in Multiple Occupation providing seven lettable rooms. Operational matters are delegated to the Headmaster of the Boys' Grammar School under a Protocol agreed on 22 September 2005. On 21 January 2019 the Foundation agreed, that the priority was to ensure that all rooms were occupied. It was agreed that rooms should be equally allocated between the two schools, three each with one remaining and, if there are empty rooms, other schools could be contacted.

On 21 January 2019 the Trustees discussed the appropriateness of making any reduction against the market rents, given their responsibilities to get proper value for Trust assets. They concluded that it would be reasonable to continue to agree rents below market levels to assist the schools in recruiting and retaining quality staff.

It was agreed that

- (a) tenants should receive a reduction of 20% from the market level
- (b) the chief tenant should receive a total reduction of 30% from the market level, the additional sum recognising the savings to the Trust and the School in the time and cost of day to day management of Speedwell.

In 2020-21 Speedwell rental income was £31,189.50, including a £30 refund for an overpayment by one tenant, making the total income £31,159.50.

9. Metropolitan Place

On 16 April 2002, the Foundation granted third party rights of way over that part of the Boys' Grammar School site known as the "West Drive". The consideration received included the transfer to the Foundation of the freehold reversion of the block of 18 flats benefiting from the right of way. Each flat is required to pay an annual ground rent of £150 (rising after 33 years). Income received is unrestricted.

According to the Agreement, the Foundation was entitled to receive rents "from the sale of the last" which took place on 27 December 2002. The transfer of the reversion was completed in late 2007 and the Clerk has undertaken the task of collecting the ground rent.

10. General Fund COIF Income Units (049950005T)

A substantial part of the Foundation's accumulated unrestricted reserves (initially arising largely from net rents from Speedwell) has been invested in this fund. The fund and its income is unrestricted. In recent years it has been applied by the Schools in part or whole to the Prize Funds (Note B15).

11. General Fund COIF Deposit Account (049950004C)

This deposit account holds the Foundation's general reserves and monies committed for distribution or investment, but not yet paid. The fund and its income is unrestricted.

12. Speedwell Expenses

The operational expenses of Speedwell during 2020-2021 were as follows:

	2020-2021
	£
Maintenance	3,343.98
Furnishings	0
Insurance	862.52
HMO Reg	0
Council tax	3,204.78
Water rates	576.11
WBGs grant	
Utilities Acct	540.00
Rent Refund	30.00
TOTAL	8557.39

A refund of £30 was made to a Speedwell tenant for an overpayment of rent.

13. Professional & Governance Expenses

During 2020-21 expenditure on governance services amounted to £3887.99. £1692.85 for the period September 2019 – August 2020 and £2195.14 for the period September 2020 to February 2021.

14. School Prizes

The Foundation manages a range of subsidiary restricted prize funds which are detailed in Annexes 'A' and 'B' to these accounts. As a matter of policy, the Foundation allocates some of its unrestricted income to the Schools to use in part or whole to supplement the Schools' Prize Funds.

15. Grants to Schools

During the year, the Foundation made the following grants to the Schools

		WBGS	WGS
		£	£
Prize Funds		4,738.12	1,308.06
COIF unit income		1,285.23	1,285.23
Endowment - West Drive		5,993.22	
Endowment - Sarratt Hall		247.13	247.13
Endowment WGS Sale of Land			617.92
Whitwell & Monrose Farms		21.66	21.66
Endowment - 2006 sale		8,585.81	8,585.81
Platt Foundation		299.58	299.59
TOTAL		21,170.75	12,365.40

The WGS Foundation awarded £20k grants to each school on 27 May 2021. WBGS used the grant for basketball nets and WGS for CCTV.

16. Cash Funds this year end

The Foundation's cash funds are held in its account with National Westminster Bank plc and COIF deposit account.

At 31 August 2021, the balances were as follows:

National Westminster Bank plc	7,751.07
COIF Deposit Account	7,946.65
TOTAL	15,697.72

C. OTHER ASSETS

In addition to the Investments which are held by the Trustees in the Charities Official Investment Fund, by virtue of several Orders of the Charity Commissioners, the Official Custodian for Charities holds, on behalf of the Trustees, the title to the following land:

1. Land containing 7 acres or thereabouts with the buildings thereon known as the Watford Grammar School for Girls.
2. Land containing 12 acres or thereabouts with the buildings thereon known as the Watford Grammar School for Boys, of which a small part was sold on 3 November 2006 and a further part is formally leased to

the Governors of Watford Grammar School for Boys for *The Clarendon Muse* for 105 years from 2007.

3. A triangular shaped piece of land containing 39.49 poles or thereabouts adjoining the land numbered 1 above.
4. Land containing 1,000 square yards or thereabouts with the building thereon known as Speedwell, Shepherds Road, Watford, adjoining the land numbered 2 above, and now let to teaching staff of the both schools.
5. Land containing 2 acres 3 roods 19 poles or thereabouts with the buildings thereon known as Lady's Close, and
6. Land containing 23 poles or thereabouts having a frontage of 400 feet or thereabouts to Wiggshall Road and adjacent to the land numbered 5 above.

The Foundation holds:

7. The freehold reversion of the property known as 'Metropolitan Place', 80-80a Rickmansworth Road, Watford, registered at HM Land Registry under title number HD472796, and
8. The freehold land contiguous to 7, above and registered at HM Land Registry under title number HD472795, now accommodating the Site Manager's house at Watford Grammar School for Boys.

No figure is included in the accounts in respect of the land and buildings.

The property known as "Speedwell", Shepherds Road, Watford (4, above) was valued by professionally qualified independent valuers in September 1988 at £220,000 – and is insured, in the current year for £442,304.

