

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
ST MARYLEBONE EDUCATIONAL FOUNDATION**

Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

ST MARYLEBONE EDUCATIONAL FOUNDATION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 to 24

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report with the financial statements of the charity for the year ended 31 August 2022. 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

Objectives and aims

Since 1977 when the scheme was rewritten the main objectives of the Foundation have been as follows, the amendments in 2018 have modernised the wording. This wording has not altered during the conversion to CIO.

- In making payments for the benefit of The St Marylebone Church of England School ("the School") to the School Managers, Governors or trustees for the time being of the School for so long as it continues to have a religious designation as a Church of England school. (Note: the School must be a school within the meaning of the Education Acts and may take the form of an Academy or be part of any Multi-academy Trust or group of schools).
- In promoting the education of persons under the age of 25 years who are either resident in the City of Westminster or are attending, are about to attend or have for not less than two consecutive years attended any school in the said City of Westminster and who are in need of financial assistance, with a preference for those persons qualified as aforesaid who are resident in the area of the former Metropolitan Borough of St Marylebone or are attending, are about to attend or have for not less than two consecutive years attended any school in that area, in one or more of the following ways:-
 - o In awarding to such persons scholarships, bursaries and maintenance allowances or grants tenable at any school, university, college of education or other institution of further (including professional and technical) education approved for the purpose by the Trustees;
 - o In providing financial assistance, outfits, clothing, tools, instruments or books to assist such persons to pursue their education (including the study of music and the other arts), to undertake travel in furtherance thereof, and to prepare for or enter a profession, trade, occupation or service on leaving school, university or other educational establishment;
 - o In providing facilities not normally provided by the local education authority or from central government funds (including from the Department for Education) for recreation and social and physical training for such persons who are receiving primary, secondary or further education;
- Within the limits prescribed by this Scheme, the Trustees shall have full power to make rules for the award of scholarships, bursaries, maintenance allowances or other benefits, including rules as to the value and period of tenure of the awards, and the qualifications and methods of ascertainment and selection of candidates for benefit;
- If and in so far as income of the Charity in any year is not required for application in manner aforesaid the Trustees may apply the same in making payments to the Managers, Governors or trustees for the time being of any other school in The City of Westminster to be applied by them for the benefit of the school where that benefit is not inconsistent with the teachings of the Church of England.

Public benefit

The Trustees have read the Guidance on Public Benefit issued by the Charity Commission and fulfil their obligations with due consideration to that Guidance, with particular reference to the benefits of advancement of education.

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES

Benefit Policy

The Foundation's policy is to ensure a continuance of financial assistance to those individuals and organisations as set out in the Objectives.

The founders of the charity originally intended that children residing in the Parish of St Marylebone should benefit educationally from their financial assistance. When the Scheme was re-written in 1977 the geographical area was widened to encompass that of the City of Westminster and eligibility for educational assistance is reliant upon a tangible connection to Westminster.

The income to the charity, restricted to the rental income from the Royal Academy of Music and income from investments is considered by the Trustees to be too small to allow a widening of the geographical area covered. By restricting the eligibility, the funds available both to individuals and organisations can be great enough to actually facilitate change and therefore benefit.

The individuals assisted benefit in various ways:

- o Continuance of education at a current school or Music College
- o Facilitating boarding for those with a difficult domestic situation
- o Facilitating attendance of a school to assist with special educational needs
- o Enhancing a child's situation to avoid educational and emotional hardship.

The schools benefit from funds to maintain or improve their educational establishments either materially or by specific educational provision therefore bettering their pupil's experience and education.

By the continuing provision of assistance with the maintenance charges for both The St Marylebone School and the primary schools within the St Margaret's Deanery Synod many pupils are enabled to attend properly maintained schools.

The Foundation also provide grants to organisations that in turn benefit the education of children or provide essential uniform or equipment to aid their education. For example, the St Vincent's Family Project, a City of Westminster based charity helping Westminster families, is in receipt of an annual grant from the Foundation towards the uniform costs a family faces every year.

Grantmaking

The Foundation's policy is to ensure the successful discharge of the Objectives set out above thus ensuring that benefits are available to those eligible applicants in greatest need of assistance.

Having ensured that the primary objectives are met the remaining available funds are subject to the Trustees' grant awarding strategy which is based upon assisting as many individuals as possible between the ages of eight and eighteen in varying disadvantaged situations to achieve a suitable education for their needs as is commensurate with the income available, with particular emphasis on enabling the continuation of an education already embarked upon. Assistance is provided to those with particular educational needs, ranging from those for whom the ill health of parents means that boarding school is a preferred option to those who have specific educational needs in their own right.

The Clerk requires regular reports from the schools to ensure that the progress of pupils in receipt of awards is satisfactory and makes annual checks to ensure that the assistance given is appropriate to the circumstances.

The numbers of students at each of the Music Colleges who are awarded grants is limited to six and dependent upon the eligibility of the students to predetermined criteria. The two music colleges are selected because the main income for the Foundation is received from the Royal Academy of Music.

Applications from tertiary students, other than the limited number interviewed annually at the two music colleges sited in Westminster, were declined due to the limited funds known to be at the disposal of the Trustees.

The Trustees agreed that other Primary Schools should be invited to tender for funding, a budget of £50,000 was set aside, a nominal figure of £10,000 allocated to each school that requests funding.

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year nine individual pupils received grants totalling £31,025 (2021 £42,659). There were no new beneficiaries. There have been far fewer applications in 2021-22 than previous years, though some applications have been received the candidates did not meet the eligibility criteria agreed at the February 11 2021, Board meeting.

A sum in the accounts allows for payments of grants towards the annual maintenance costs of The St. Marylebone School and the primary schools within the St Margaret's Deanery Synod.

St Marylebone School have not requested help with their maintenance costs this year, however the Foundation has provided funding towards various building projects, details below.

Westminster St Margaret's Deanery Synod requested funding for maintenance for schools in their care during this financial year and received a grant in the sum of £8,000 (2021 £8,000).

The Royal Academy of Music and the Royal College of Music had been allocated their grants for the 2022-23 Academic Year during 2021-22. Twelve Music Students for the 2022-23 academic year have been interviewed and their grant funding paid after October 2022 once the students have taken up their place.

The Foundation makes funds available annually for Music Grants, the amount agreed for 2022-23 is £25,000 (2021 £23,814). These grants enabled the students to enrol on and complete their chosen courses.

The St Marylebone CE School requested funding during 2020-21, a total of £94,764.30. The requests comprised refurbishment of student washroom facilities and relocation and refurbishment of SEND teaching rooms. The first payment of £36,926.42 was made in October 2021, a second and final payment of £57,837.88 was made in April 2022. These amounts were accounted for during 2020-21.

The St Marylebone CE School requested funding totalling £139,433.63 in April 2022. The request comprises installation of air conditioning units in 6 maths classrooms, 6th Form classrooms, a self-service IT locker unit at the 6th Form centre and interactive flat panel touchscreens. The first payment of £25,000 was made in April 2022, the 2nd of £55,000 in October 2022. The 3rd and final payment will be made in January 2023 of £59,433.63. The full grant has been accounted for in 2021-22.

The Marylebone Boys School was awarded funding to purchase items to further their theatre space, AV equipment and electrical installation. The school was awarded a total of £42,972.96 in 2020-21. This funding was paid in two instalments, £37,000 in August 2021 and a final payment of £5,972.95 in October 2021. The full grant was accounted for in 2020-21.

The St Marylebone CE Bridge School requested funding towards a new minibus and peripatetic music lessons. The Trustees agreed to the music lessons in the sum of £7,605 and asked that the Variety Club were approached to assist with funding towards the minibus, decreasing the Foundation's grant to £19,000. Should funding not be forthcoming from alternative sources the Trustees have agreed to fund the minibus in the sum of £50,000.

St Vincent's Family Project was awarded £2,000 to assist the families living in the City of Westminster family to purchase school uniform for their children.

Paddington Academy were awarded £10,000 towards the Year 8 residential trip.

St Mary of the Angels School were awarded £14,200 towards the provision of a sensory room for SEND children.

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Financial Review and Investment Policy

During the year income totalled £279,164 (2021 - £275,800). The income of the Foundation comes mainly from rent paid by the Royal Academy of Music for the land which forms a substantial part of the site of the Royal Academy of Music; the rent paid is currently £263,500 per annum. The lease to the Royal Academy of Music is for a term of 99 years from 24 June 1974 and provides for seven yearly upwards only rent reviews. The last full review was in June 2016, providing an increase of £111,000 to £251,000 per annum. A further review due to Royal Academy of Music altering the buildings on the land was finalised during 2019-20. BNP Paribas reached an agreement on behalf of the Foundation; the rent increased from September 2020 by 12,500 to £263,500 per annum. The next rent review is due in 2023.

Additional income is derived from investments held as part of the capital of the Foundation, the Designated Fund, and from investments representing temporarily invested income, the General Fund. These investments are held in the nominee names of stockbrokers Rathbone Investment Management Limited. At a Special Meeting held on 25 February 1999 the Trustees decided to entrust Rathbone Investment Management Limited with discretionary management of the Foundation's investments. This decision has been further reviewed and the discretionary management has been continued.

An additional investment in CCLA in the Charities Investment Fund, invested prior to 1999, also provides a small income to the Foundation.

The investments were considerably depleted by the need to fund a grant awarded to the St Marylebone School from 2004-2007 and the reserves are still being built up for the future to increase the investment levels and ensure the Foundation can continue to help its beneficiaries.

The investment strategy is based upon a low risk profile with a balance between the objectives of capital growth and regular income.

Total expenditure during the year was £287,873 (2021 - £372,897). Grants payable are the Charity's greatest expense with £255,078 paid out or committed to as grants in the financial year (2021 - £344,631).

The year to 31 August 2022 was a difficult 12 months for investors as the market reacted aggressively to a sharp rise in interest rates as central banks tried to combat persistent inflationary pressures. Equity and bond markets both sold off significantly during the first 8 months of 2022, exacerbated by Russia's invasion of Ukraine and China's strict zero-Covid policy.

Over the full financial year, the Main portfolio had a total return of -10.5%, whilst the slightly higher risk AOI fund had a total return of -12.5% as it was more exposed to the market sell-off. Income returns were +1.6% and +1.3% respectively. In a year with rising inflation and falling asset prices, achieving the inflation linked target was particularly difficult. The inflation targets of CPI +3% and CPI +4% returned 13.1% and 14.1% respectively.

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Reserves policy

During recent years the Foundation has much reduced the number of grants awarded in order to increase the Foundation's capacity to perform its remit during future years. This has successfully returned the annual accounts to a small surplus enabling greater confidence in assessing grant awards for beneficiaries and the future capacity to pay the grants awarded.

The increase in rent has enabled the Foundation to provide large sums to the St Marylebone School over the next year without accessing the reserves. It remains the intention that the grants awarded over the next few years will remain at a relatively reduced level in order to enable the Foundation to meet any future requests from the St Marylebone School for larger than average sums. Depending on the amounts called for by the St Marylebone School it may be necessary to continue this policy for some years.

The Foundation is largely reliant upon income from the land upon which the Royal Academy of Music stands and is not in a position to ensure continuation of income in the event of problems at the Royal Academy of Music. Should such an event occur, the Trustees of the Foundation would contact other Trusts and endeavour to find assistance for those individuals who might therefore suffer. Each year the recipients of grants change, with their increasing ages varying the long-term liabilities of the Foundation.

As at 31 August 2022 reserves were £8,512,542 of which £385,214 is held in a designated fund and £7,600,000 relates to a fair value reserve. The level of reserves invested should allow the Foundation to honour current funding awards and grants to individuals to the end of their terms.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The St Marylebone Educational Foundation is the lineal successor of the St Marylebone Charity School, itself founded in 1750. The Charity Commission ordered the approval and establishment of the updated Scheme in November 1977.

The Trustees agreed at their Meeting in June 2016 to instruct Lee Bolton Monier Williams Solicitors to assist them in revising the scheme to both modernise it and comply with current legislation. The revision was completed and adopted in July 2018.

Conversion to CIO

The Trustees agreed at their meeting of 11 February 2021 to convert the Foundation from a Trust to a Charitable Incorporated Organisation (CIO).

The conversion and registration completed on the 8 July 2022. The new registered charity number is 1199592. As at 31 August 2022 the transfer of assets to the new entity has not yet completed.

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Foundation would look to the local community and the wider education community and should that fail advertisements will be placed in relevant places. Finding the right person should take precedence over speed.

The applicants will be asked to state, in writing, their reasons for wishing to become a Trustee and outline the benefit they would bring to the Foundation and its beneficiaries. Prospective Trustees should also be able to demonstrate they would be fully supportive of the Charitable Objectives and aims of the Foundation and that they are familiar with and happy to abide by the principles of the Nolan Code of Conduct for the trustees of small charities. Should there be more than one suitable applicant for the position the Trustees will make their decision after interviewing all interested parties.

The appointment would be made once the Trustees were satisfied of the applicant's suitability for, and commitment to, the role.

Once appointed the new Trustee will inform the Foundation of any Conflicts of Loyalty and sign the Declaration confirming their eligibility to act as a Trustee.

Westminster City Council have the right to nominate two Trustees to serve on the board of the Foundation. The remaining Trustees comprise of one Ex-Officio, the Rector of St Marylebone and three Co-optative Trustees.

Organisational structure

The Trustees and the designations of their appointments are set out on page six.

The maximum number of Trustees on the Board is six. Westminster Council have the right to nominate two Trustees to serve on the board of the Foundation. They do not have to be employed by the council. The remaining Trustees comprise of one Ex-Officio, the Rector of St Marylebone and three Co-optative Trustees. Nominative Trustees are appointed to serve a term of 4 years, Co-optative Trustees are appointed to serve a term of 5 years.

All Trustees may be reappointed should they still wish to remain on the Board. The Board will reappoint if the majority of Trustees feel that they remain able to offer relevant skills.

The Chair of the Board is elected at the first meeting of the year.

The Trustees make all the decisions on the Charity's expenditure and Grant Awards at their meetings which take place three times a year. A special meeting is called to discuss a particular matter should it be deemed necessary.

The Trustees have completed a Register of Interests, and this is verified at each meeting.

Induction and training of new trustees

Newly appointed and re-elected Trustees are provided with a copy of the Scheme and are requested to sign a Declaration of acceptance and willingness to act in the trusts of the Scheme. In addition, all Trustees are now required to sign an Automatic Disqualification Declaration according to Annex A provided by the Charity Commission. Trustees are expected to have interest in and knowledge of the area covered by the remit of the Foundation's scheme. In particular, the Rector of St Marylebone is also an ex officio Governor of The St Marylebone Church of England School, a Member of the Board & Director of the St Marylebone Bridge School and a Trustee of the Buildings and Land of those Schools. Newly appointed Trustees are also provided with copies of recent minutes indicating decisions made by the Trustees.

Major risks and management of these risks

The Trustees have examined the major strategic business and operational risks which the charity faces and confirm that systems have been established to enable regular monitoring to continue so that the necessary steps can be taken to lessen these risks. The Trustees can confirm that no major incidents have occurred during this financial year..

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

312378

Principal address

12 Melcombe Place
Marylebone Station
Marylebone
London
NW1 6JJ

Trustees

The Reverend Canon Stephen Evans
Mr Joseph Dunton

Ex Officio
Nominative - Appointed by
Westminster City Council

Mr Andrew James Varley
Ms Kathryn Mary Roskell
Ms Lucy Dennett

Co-optative
Co-optative
Nominative - Appointed by
Westminster City Council

Appointed October 2021

Ms Victoria Dare
Mrs Helen Wells

Co-optative
Co-optative

Resigned October 2021

Clerk to Trustees

Mrs Caroline Grant

Auditors

Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

Solicitors

DAC Beachcroft
100 Fetter Lane
London
EC4A 1BN

Investment Managers

Rathbone Investment Management
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The 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).

ST MARYLEBONE EDUCATIONAL FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 19 April 2023 and signed on its behalf by:

Ms K M Roskell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ST MARYLEBONE EDUCATIONAL FOUNDATION

Opinion

We have audited the financial statements of St Marylebone Educational Foundation (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 31 August 2022 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 Auditors' 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 other 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ST MARYLEBONE EDUCATIONAL FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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, is detailed below.

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to breaches of employment law, data protection and anti-bribery and corruption legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities acts and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to overstate profit and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and Trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- As required by ISA 240, incorporating an element of unpredictability into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ST MARYLEBONE EDUCATIONAL FOUNDATION**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.

Gibson Whitter Limited
Statutory Auditors
Larch House
Parklands Business Park
Denmead
Hampshire
PO7 6XP

20 June 2023

ST MARYLEBONE EDUCATIONAL FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	31.8.22 Unrestricted funds £	31.8.21 Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Investment income	2	279,164	275,800
EXPENDITURE ON			
Raising funds	3	4,216	4,115
Charitable activities			
Educational grants		283,657	368,782
Total		287,873	372,897
Net gains/(losses) on investments		(93,306)	132,727
NET INCOME/(EXPENDITURE)		(102,015)	35,630
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported		1,036,515	1,000,885
Prior year adjustment	9	7,578,042	7,578,042
As restated		8,614,557	8,578,927
TOTAL FUNDS CARRIED FORWARD		8,512,542	8,614,557

The notes form part of these financial statements

ST MARYLEBONE EDUCATIONAL FOUNDATION

**BALANCE SHEET
31 AUGUST 2022**

	Notes	31.8.22 Unrestricted funds £	31.8.21 Total funds as restated £
FIXED ASSETS			
Tangible assets	10	934	1,295
Investments			
Investments	11	723,870	810,955
Investment property	12	7,800,000	7,800,000
		<u>8,524,804</u>	<u>8,612,250</u>
CURRENT ASSETS			
Debtors	13	1,284	595
Cash at bank		161,770	136,260
		<u>163,054</u>	<u>136,855</u>
CREDITORS			
Amounts falling due within one year	14	(175,316)	(134,548)
		<u>(12,262)</u>	<u>2,307</u>
NET CURRENT ASSETS			
		<u>(12,262)</u>	<u>2,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,512,542</u>	<u>8,614,557</u>
NET ASSETS		<u>8,512,542</u>	<u>8,614,557</u>
FUNDS	15		
Unrestricted funds		<u>8,512,542</u>	<u>8,614,557</u>
TOTAL FUNDS		<u>8,512,542</u>	<u>8,614,557</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 19 April 2023 and were signed on its behalf by:

Ms K M Roskell - Trustee

ST MARYLEBONE EDUCATIONAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Charity meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in pound sterling which is the functional currency of the charity and rounded to the nearest £1.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Rent is accounted for in the period on a receivable basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- o the charity has communicated its intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant or
- o the charity has made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant or
- o there is an established pattern of practice which indicates to the recipient that we will honour our commitment.

ST MARYLEBONE EDUCATIONAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Individual fixed assets costing £250 or more are capitalised at cost.

Fixed assets investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The charity is considered to pass the tests set out in Paragraph I Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity 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 structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are set aside to enable the St Marylebone Educational Foundation to meet its medium and long term commitments to beneficiaries.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

ST MARYLEBONE EDUCATIONAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. INVESTMENT INCOME

	31.8.22	31.8.21 as restated
	£	£
Rents received	263,500	263,500
Investment portfolio	15,652	12,300
Bank interest	12	-
	<u>279,164</u>	<u>275,800</u>

3. RAISING FUNDS

Investment management costs

	31.8.22	31.8.21 as restated
	£	£
Portfolio management	<u>4,216</u>	<u>4,115</u>

4. GRANTS PAYABLE

	31.8.22	31.8.21 as restated
	£	£
Educational grants	<u>255,078</u>	<u>344,631</u>

The total grants paid to institutions during the year was as follows:

	31.8.22	31.8.21 as restated
	£	£
Royal Academy of Music	14,288	14,453
Royal College of Music	9,526	8,227
The St Marylebone Church of England School	139,434	207,838
The St Marylebone Church of England Bridge School	26,605	8,981
Marylebone Boys School	-	42,973
St Peter's Eaton Square Church of England School	-	10,000
Westminster Deanery Synod	8,000	8,000
St Vincent's Family Project	2,000	1,500
Paddington Academy	10,000	-
St Mary of the Angels School	14,200	-
	<u>224,053</u>	<u>301,972</u>

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

4. GRANTS PAYABLE - continued

The total grants paid to individuals during the year was as follows:

	31.8.22	31.8.21 as restated
	£	£
Grant payable to individuals	<u>31,025</u>	<u>42,659</u>

Grants payable analysed by nature:

	31.8.22	31.8.21
	£	£
Provision of equipment	80,152	52,427
School maintenance	8,000	8,000
Building works/ improvements	85,887	207,365
Student grants	54,839	65,339
Provision of project funding	14,200	10,000
Provision of school trips	10,000	-
Provision of uniforms	2,000	1,500
	<u>255,078</u>	<u>344,631</u>

5. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Educational grants	<u>21,264</u>	<u>7,315</u>	<u>28,579</u>

Support costs, included in the above, are as follows:

Management

	31.8.22	31.8.21 as restated Total activities
	£	£
Wages	15,778	15,251
Pensions	286	273
Rent	45	-
Insurance	437	695
IT support	2,196	797
Subscriptions	294	216
Printing, postage and stationery	767	749
Bank charges	107	84
Sundry expenses	993	1,783
Depreciation	361	151
	<u>21,264</u>	<u>19,999</u>

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

5. SUPPORT COSTS - continued
Governance costs

	31.8.22	31.8.21 as restated
	Educational grants £	Total activities £
Auditors' remuneration	3,600	1,800
Auditors' remuneration for non audit work	720	1,560
Legal and professional fees	2,995	792
	<u>7,315</u>	<u>4,152</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

7. STAFF COSTS

	31.8.22	31.8.21 as restated
	£	£
Wages and salaries	15,778	15,251
Other pension costs	286	273
	<u>16,064</u>	<u>15,524</u>

The average monthly number of employees during the year was as follows:

	31.8.22	31.8.21 as restated
Clerk to the trustees	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds as restated £
INCOME AND ENDOWMENTS FROM	
Investment income	275,800
EXPENDITURE ON	
Raising funds	4,115
Charitable activities	
Educational grants	368,782
Total	372,897
Net gains on investments	132,727
NET INCOME	35,630
RECONCILIATION OF FUNDS	
Total funds brought forward	
As previously reported	1,000,885
Prior year adjustment	7,578,042
As restated	8,578,927
TOTAL FUNDS CARRIED FORWARD	8,614,557

9. PRIOR YEAR ADJUSTMENT

The company has restated its previously reported unrestricted funds as a result of an adjustment for rent received in advance (£21,958) which had not previously been deferred at the balance sheet date.

Additionally, the charity's interest in a long lease for land on which part of the Royal Academy of Music stands for which the charity receives rent has been reclassified as an investment property rather than as a tangible fixed asset. It has been professionally valued with a market value of £7,800,000. This property had previously been included in the financial statements at £200,000 resulting in an uplift of £7,600,000. This reclassification and revaluation has had no impact on the charity's current, or previous year Statement of Financial Activity only the balance sheet at 31 August 2021 and 2022.

A summary of these changes is shown below.

	31.8.22 £	31.8.21 £
Adjustment to investment property	7,600,000	7,600,000
Adjustment to deferred income	(21,958)	(21,958)
Effect of prior year adjustment	7,578,042	7,578,042
Total unrestricted funds brought forward as previously stated	1,036,515	1,000,885
Total unrestricted funds brought forward as restated	8,614,557	8,578,927

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

10. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 September 2021 and 31 August 2022	1,446
DEPRECIATION	
At 1 September 2021	151
Charge for year	361
At 31 August 2022	512
NET BOOK VALUE	
At 31 August 2022	934
At 31 August 2021	1,295

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2021	810,955
Additions	198,630
Disposals	(192,409)
Revaluations	(93,306)
At 31 August 2022	723,870
NET BOOK VALUE	
At 31 August 2022	723,870
At 31 August 2021	810,955

Investments are held in a portfolio managed by Rathbone Investment Management. The market value of investments by geographical area is as follows:

	31.8.22 £	31.8.21 £
Held within UK	547,006	519,272
Held outside UK	176,864	291,683
	723,870	810,955

All investments are listed on recognised stock exchanges.

Material Investments

	Holding	Market Value
COIF Charities Investment Fund - Income units	8,304.27	£159,583

The fair value of listed investments is determined by reference to quoted prices for identical assets in an active market at the balance sheet date.

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 September 2021 and 31 August 2022	7,800,000
NET BOOK VALUE	
At 31 August 2022	7,800,000
At 31 August 2021	7,800,000

The land on which part of the Royal Academy of Music stands is leased from Howard de Walden Estates for a term of 917 years from 25 March 1837, at the yearly rent of £15. By an underlease this land fronting Marylebone Road is occupied by the Royal Academy of Music for a term of 99 years from the 24 June 1974. It is understood that the Royal Academy of Music leases the land on which the rear of their building stands from the Crown Estate Commissioners.

The Royal Academy of Music pays rent to St Marylebone Educational Foundation on the basis of a seven yearly independent professional rent assessment to arrive at an agreed annual figure. This rental income is the principal source of revenue for the Foundation's activities.

Fair value at 31 August 2022 is represented by:

	£
Valuation in 2020	7,600,000
Cost	200,000
	7,800,000

If investment property had not been revalued it would have been included at the following historical cost:

	31.8.22	31.8.21 as restated
	£	£
Cost	200,000	200,000

Investment property was valued on an open market basis on 31 August 2022 by BNP Paribas Real Estate.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21 as restated
	£	£
Accrued income	874	149
Prepayments	410	446
	1,284	595

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21 as restated
	£	£
Other creditor	-	419
Grant commitments	149,038	108,811
Deferred income	21,958	21,958
Accrued expenses	4,320	3,360
	<u>175,316</u>	<u>134,548</u>

Deferred income relates to rent received in advance.

	31.8.22 £	31.8.21 £ as restat ed
Brought forward	21,298	21,298
Released to incoming resources in year	(21,298)	(21,298)
Income deferred in year	21,298	21,298
Carried forward	<u>21,298</u>	<u>21,298</u>

15. MOVEMENT IN FUNDS

	At 1.9.21 £	Prior year adjustment £	Net movement in funds £	At 31.8.22 £
Unrestricted funds				
General fund	651,301	(21,958)	(102,015)	527,328
Designated fund	385,214	-	-	385,214
Fair value reserve	-	7,600,000	-	7,600,000
	<u>1,036,515</u>	<u>7,578,042</u>	<u>(102,015)</u>	<u>8,512,542</u>
TOTAL FUNDS	<u>1,036,515</u>	<u>7,578,042</u>	<u>(102,015)</u>	<u>8,512,542</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	279,164	(287,873)	(93,306)	(102,015)
TOTAL FUNDS	<u>279,164</u>	<u>(287,873)</u>	<u>(93,306)</u>	<u>(102,015)</u>

ST MARYLEBONE EDUCATIONAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Prior year adjustment £	Net movement in funds £	At 31.8.21 £
Unrestricted funds				
General fund	615,671	(21,958)	35,630	629,343
Designated fund	385,214	-	-	385,214
Fair value reserve	-	7,600,000	-	7,600,000
	<u>1,000,885</u>	<u>7,578,042</u>	<u>35,630</u>	<u>8,614,557</u>
TOTAL FUNDS	<u>1,000,885</u>	<u>7,578,042</u>	<u>35,630</u>	<u>8,614,557</u>

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	275,800	(372,897)	132,727	35,630
	<u>275,800</u>	<u>(372,897)</u>	<u>132,727</u>	<u>35,630</u>
TOTAL FUNDS	<u>275,800</u>	<u>(372,897)</u>	<u>132,727</u>	<u>35,630</u>

The specific purposes for which the funds are to be applied are as follows:

The designated fund is set aside to enable the Foundation to meet its medium to long term commitments to beneficiaries.

16. GRANT COMMITMENTS

The Foundation has confirmed that it will provide funding to support the education of a number of individuals in the short term. These are subject to annual checks, and although these are committed levels of funding, the costs are expensed to the SOFA in the year in which each year's funding contribution is made.

The Trustees at their meeting in June 2022 agreed to contribute towards the minibus for St Marylebone Church of England Bridge School. If this can be funded by other options the grant will be £19,000, which has been accrued within the accounts. However, if alternative funding is not available the Trustees have agreed to fund the full cost up to £50,000. Therefore, £31,000 is a potential grant commitment.

ST MARYLEBONE EDUCATIONAL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

17. RELATED PARTY DISCLOSURES

The St Marylebone Church of England Bridge School

(The Reverend Dr Canon Stephen Evans is a trustee)

Grants totalling £26,605 (2021: £8,981) were paid to the School during the financial period. At the balance sheet date the amount due to the School was £19,000 (2021: £nil).

The St Marylebone Church of England School

(The Reverend Dr Canon Stephen Evans is a trustee)

Grants totalling £134,434 (2021: £207,838) were paid to the School during the financial period. At the balance sheet date the amount due to the School was £114,434 (2021: £102,838).

Westminster Deanery Synod

(The Reverend Dr Canon Stephen Evans is a member)

Grants totalling £8,000 (2021: £8,000) were paid to the Synod during the financial period.

St Vincents Family Project

(Mr Varley is CEO)

Grants totalling £2,000 (2021: £1,500) were paid to the Project during the financial period.

18. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees on behalf of the members