

The George Drexler Foundation

Annual Report and Accounts for the year ended 30 June 2023

Charity No. 313278

Trustees' Report

The trustees present their report for the year ended 30 June 2023.

Reference and Administrative Details

Address

38-43 Lincoln's Inn Fields, London, WC2A 3PE

Governing Instrument

Trust Deed dated 19 January 1959 as amended by a Deed of Variation dated 25 November 1966. Its objects are the relief of poverty and the advancement of education.

Trustees

The trustees during the year were:

Mrs L M Dresher
Mr A J C Collett
Mr M A Edgar
Miss L Kapila OBE

Management

The trustees meet twice a year to determine and award grants for the relief of poverty and the advancement of education. Management services for the Foundation are provided by The Royal College of Surgeons of England.

Principal advisers

Banker

C Hoare & Co

37 Fleet Street, London, EC4P 4DQ

Auditor

Crowe U.K. LLP

55 Ludgate Hill, London, EC4M 7JW

Solicitor

BDB Pitmans LLP

One Bartholomew Close, London, EC1A 7BL

Investment Manager

LGT Wealth Management UK LLP

Fourteen Cornhill, London, EC3V 3NR

Investment and Other Powers

The investment powers of the fund are those laid down in the Trustee Act 2000. The investment objectives are to provide an income of £250,000, and thereafter maximise total return. There are no direct investments in tobacco stocks.

Objectives and Policies

The Charity was established by trust deed in 1959 by the late George Drexler for such charitable purposes connected with the advancement of education or the relief of poverty amongst former employees of the Ofrex Group and their families together with other persons formerly employed in commerce and the families of such persons. In assessing applications for charitable and education grants, the trustees bear in mind Mr Drexler's expressed desire to benefit medical research and education. Currently, there are no plans to revise the objectives.

Public Benefit

The trustees confirm that they have had due regard to the guidance on public benefit issued by the Charity Commission. The activities of the charity are carried out for public benefit as the grants awarded support the advancement of education (including medical research) and the relief of poverty.

Review of Activities

During the year charitable expenditure amounted to £341k (2022: £324k). This comprised grants awarded of £269k (2022: £246k), other professional activities of £2k (2022: £3k) and support costs of £21k (2022: £22k). Of this, £14k (2022: £12k) was granted for the relief of poverty to former employees of the Ofrex Group and their families, while £255k (2022: £234k) was awarded in educational grants.

Financial Review

The Foundation has reported an overall deficit for the year of £154k compared to a deficit of £467k in 2021-22. There was a smaller loss on investments in the current year of £67k compared to a loss of £438k in 2021-22.

Investment income decreased to £254k (2022: £295k), which is above the target level of £250k. This year the trust awarded grants totalling £269k (2022: £246k). The net unrestricted movement for the year was a deficit of £38k (2022: surplus of £24k) after accounting for administration fees and expenses. Unrestricted funds now stand at £44k (2022: £82k) and endowed funds, after accounting for investment management fees, have decreased by £116k to £7.99m (2022: decrease of £491k to £8.10m).

Financial Outlook

Income from the investment portfolio slightly exceeded the target of £250k this year, however performance was not as strong as the £295k of income in 2021-22. This puts the endowed reserves at £7.99m. Unrestricted funds have decreased to £44k, which is now below the £50,000 target set by the trustees. This is due to increased grant expenditure, and lower investment income. The trustees consider that investment income will remain sufficient to support its award of annual grants.

Reserves Policy

The policy is to maintain the unrestricted free reserves at no higher than £50k. These reserves currently stand at £44k which is below this limit. There was an increase in grant giving this year, and the trustees will continue to award grants, subject to suitable applications being received, in order to maintain the level of unrestricted funds held at no higher than £50k. The trustees have reviewed the reserves of the charity and consider that the current level of reserves is sufficient to enable them to fund grants, investment management fees and support costs without eroding the longer term real value of the charity's investment capital.

The trustees also monitor liquidity to ensure this is sufficient to cover ongoing expenditure. The trustees have reviewed the financial position and future obligations of the charity and have concluded that it is reasonable to expect The George Drexler Foundation to have adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

Risk Management

The trustees annually review the risks the Foundation faces. To date these have mainly related to the appropriateness of grant requests, and investment management, which has been mitigated by a diversified portfolio.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its net incoming resources for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

Signed on behalf of the trustees:

Mrs L M Dresher
Trustee

Mr A J C Collett
Trustee

Date

Independent Auditor's Report to the Trustees of The George Drexler Foundation

Opinion

We have audited the financial statements of The George Drexler Foundation ('the charity') for the year ended 30 June 2023 which comprise statement of financial activities, balance sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 30 June 2023 and of income and expenditure, 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 Auditor's 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 152 of the Charities Act 2011, and report in accordance with the Acts 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Tax legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of investment income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and detailed testing of investment income, vouching a sample of investment holdings at year end to third party data, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.

Crowe U.K. LLP

Statutory Auditor
London

Date

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities

For the year ended 30 June 2023

		Unrestricted	Permanent	Total Funds	Total Funds
		Funds	Endowment	2023	2022
	Notes	£	£	£	£
Income and endowments					
Income from investments		254,482	-	254,482	295,202
Total income		254,482	-	254,482	295,202
Expenditure on					
Raising funds:					
Investment management fees		-	48,275	48,275	52,570
Charitable activities:					
For the relief of poverty	2	15,113	-	15,113	13,072
For the advancement of education	3	275,271	-	275,271	255,174
Other professional activities	1(h)	2,488	-	2,488	2,760
Total expenditure		292,872	48,275	341,147	323,576
Net expenditure before gains		(38,390)	(48,275)	(86,665)	(28,374)
Net (loss)/gain on investments	7	-	(67,453)	(67,453)	(438,129)
Net movement in funds for the year		(38,390)	(115,728)	(154,118)	(466,503)
Funds brought forward at 1 July		82,410	8,102,805	8,185,215	8,651,718
Funds carried forward at 30 June		44,020	7,987,077	8,031,097	8,185,215

The notes to the financial statements are on pages 9 to 13.

Balance Sheet

For the year ended 30 June 2023

		Unrestricted	Permanent	Total Funds	Total Funds
	Notes	Funds	Endowment	2023	2022
		£	£	£	£
Fixed assets					
Investments	7	125,575	7,999,114	8,124,689	8,240,681
Current assets					
Debtors	4	9,877	-	9,877	27,358
Cash	5	128,323	-	128,323	156,135
		138,200	-	138,200	183,493
Current liabilities	6	(219,755)	(12,037)	(231,792)	(238,959)
Net current liabilities		(81,555)	(12,037)	(93,592)	(55,466)
Net assets		44,020	7,987,077	8,031,097	8,185,215
Funds at 30 June		44,020	7,987,077	8,031,097	8,185,215

The notes to the financial statements are on pages 9 to 13.

Approved on behalf of the trustees and authorised for issue by:

Mrs L M Dresher
Trustee

Mr A J C Collett
Trustee

Date

Charity No. 313278

Notes to the financial statements for the year ended 30 June 2023

1. Accounting policies

- (a) The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined by FRS102. Under the Small Charities exemption, a cash flow has not been disclosed.

- (b) The financial statements have been prepared on a going concern basis as the trustees consider that the Trust has adequate resources to continue in operational existence for the foreseeable future.
- (c) Investment income and bank interest is included in the financial statements as it becomes receivable.
- (d) Charitable expenditure is accounted for on the basis of when grant awards are authorised by the trustees and a valid commitment exists.
- (e) Financial assets including cash and debtors are measured at amortised cost.
- (f) Investments are included at market value. Gains or losses on investments, whether realised or not, are disclosed in the Statement of Financial Activities in the year in which they arise.
- (g) Permanent endowed funds arise where the donor has specified that the capital of the gift cannot be expended and that only the income arising from the capital may be used. The income arising from the endowed funds is unrestricted and can be used for activities in support of the objects of the charity.
- (h) Support costs consist of administration, accountancy and other costs in support of the charity's activities. These have been allocated in proportion to the grants awarded and paid in the year. Other professional activities consist of audit fees and other costs of statutory compliance.
- (i) The Trust is a Registered Charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

	2023 £	2022 £
2. Charitable expenditure for the relief of poverty consists of:		
Grants awarded	14,000	12,000
Support costs	1,113	1,072
	15,113	13,072

3. Charitable expenditure for the advancement of education consists of:

	2023 £	2022 £
Grants awarded for individuals		
<i>Liabilities at start of year</i>	(64,000)	(77,500)
<i>Paid in year</i>	64,000	72,750
<i>Liabilities at end of year</i>	80,000	64,000
Charge for year	80,000	59,250
Grants awarded for projects		
<i>Liabilities at start of year</i>	(115,000)	(115,000)
<i>Paid in year</i>	175,000	175,000
<i>Liabilities at end of year</i>	115,000	115,000
Charge for year	175,000	175,000
Support costs	20,271	20,924
	275,271	255,174

The grants awarded for projects were for educational facilities and tutors related to The Royal College of Surgeons of England.

	2023 £	2022 £
4. Debtors consists of:		
Accrued investment income	9,877	27,358
	9,877	27,358
5. Cash consists of:		
Income accounts with investment managers	24,180	19,376
C Hoare & Co interest-bearing current account	104,143	136,759
	128,323	156,135
6. Current liabilities , all due within one year:		
Education grants committed and notified	195,000	179,000
Administration and accountancy (RCS)	20,964	41,928
Auditor's remuneration - audit fees	3,791	5,730
Investment management fees	12,037	12,301
	231,792	238,959

	2023 £	2022 £
7. Investments		
Market value of investments is represented as follows:		
Quoted securities	7,897,976	7,609,033
Deposits with investment managers	226,713	631,648
Total investments at market value	8,124,689	8,240,681
Investments at cost are represented as follows:		
Quoted securities	6,116,567	5,702,367
Deposits with investment managers	226,713	631,648
Total investments at cost	6,343,280	6,334,015
Investment movements during the year:		
Market value at 1 July	8,240,681	8,732,065
Additions	1,561,230	1,055,695
Disposals	(1,609,769)	(1,108,950)
Net (loss)/gain on investments	(67,453)	(438,129)
Market value at 30 June	8,124,689	8,240,681

All the investments, other than the deposits with the investment managers, are listed on a recognised stock exchange. At the year end, the market value of UK investments was £3,685k (2022: £3,773k), and overseas investments were £4,439k (2022: £4,467k).

8. Trustees and employees

The trustees receive neither remuneration nor expenses. There are no employees.

During the year, support costs of £2,268 (2022: £2,160) were paid by the Royal College of Surgeons on behalf of The George Drexler Foundation. At the year end, £132,470 was owed to the Royal College of Surgeons of England (2022: £159,088).

There were no further related party transactions.

9. Financial instruments

At the balance sheet date, the charity held financial assets at amortised cost of £138,200 (2022: £183,494), financial assets at fair value through income or expenditure of £8,124,689 (2022: £8,240,681) and financial liabilities at amortised cost of £231,792 (2022: £238,959).

10. Comparative Statement of Financial Activities

For the year ended 30 June 2022 showing performance of the separate classes of funds

	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £
Income and endowments			
Income from investments	295,202	-	295,202
Total income	295,202	-	295,202
Expenditure on			
Raising funds:			
Investment management fees	-	52,570	52,570
Charitable activities:			
For the relief of poverty	13,072	-	13,072
For the advancement of education	255,174	-	255,174
Other professional activities	2,760	-	2,760
Total expenditure	271,006	52,570	323,576
Net expenditure before gains	24,196	(52,570)	(28,374)
Net gains on investments	-	(438,129)	(438,129)
Net movement in funds for the year	24,196	(490,699)	(466,503)
Funds brought forward at 1 July	58,214	8,593,504	8,651,718
Funds carried forward at 30 June	82,410	8,102,805	8,185,215

11. Comparative Balance Sheet

For the year ended 30 June 2022

	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £
Fixed assets			
Investments	125,575	8,115,106	8,240,681
Current assets			
Debtors	27,358	-	27,358
Cash	156,135	-	156,135
	183,493	-	183,493
Current liabilities	(226,658)	(12,301)	(238,959)
Net current liabilities	(43,165)	(12,301)	(55,466)
Net assets	82,410	8,102,805	8,185,215
Funds at 30 June	82,410	8,102,805	8,185,215