

Charity Number

526956

**KELSICK'S EDUCATIONAL FOUNDATION**

Trustees' Report and Financial Statements  
For the year ended 31 March 2021

## **KELSICK'S EDUCATIONAL FOUNDATION**

Trustees' Report and Financial Statements  
For the year ended 31 March 2021

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## KELSICK'S EDUCATIONAL FOUNDATION

### Trustees' Annual Report For the year ended 31 March 2021

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The Trustees present their report together with the audited financial statements of the charity for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

The registered name of the Charity is Kelsick's Educational Foundation. The registered charity number is 526956.

Trustees who served during the year and those who were Trustees at the date of this report are as follows:

##### ***Nominated***

##### **By Lakes Parish Council (Term of 4 years)**

Mr N Martin (Chairman)  
Mr M Blackburn  
Mrs L Dixon  
Mr L Johnson

##### ***Co-opted (Term of 5 years)***

Mr N Hutchinson  
Mr P Jackson (Vice Chairman)  
Mrs A J Renouf  
Mr P B Edmondson  
Dr P Davies  
Mr J Cunningham

##### **By Cumbria County Council (Term of 4 years)**

Mr W Clark

##### ***Ex officio (Vicar of Ambleside)***

Revd. B Lock

##### **By University of Cumbria (Term 4 years)**

Professor M Mansfield

##### **Honorary Trustee**

Mr J O Halstead

##### **Clerk to Trustees and Chief Executive Officer**

Mr P G Frost

##### **Principal Office**

Kelsick Centre  
St Mary's Lane  
Ambleside  
Cumbria LA22 9DG

##### **Surveyors and Property Consultants**

Carter Jonas  
52 Kirkland  
Kendal  
Cumbria LA9 5AP

##### **Bankers**

Barclays Bank PLC  
Crescent Road  
Windermere  
Cumbria LA23 1EA

##### **Auditors**

Kay Johnson Gee Limited  
1 City Road East  
Manchester  
M15 4PN

##### **Solicitors**

Progression Solicitors  
5 Crescent Road  
Windermere  
LA23 1EA

##### **Investment Advisors**

Castlefield Investments  
1 Portland Street  
Manchester M1 3BE

##### **CCLA**

Senator House  
85 Queen Victoria Street  
London EC4V 4ET

# **KELSICK'S EDUCATIONAL FOUNDATION**

Trustees' Annual Report  
For the year ended 31 March 2021

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## **STRUCTURE, GOVERNANCE & MANAGEMENT**

Kelsick's Educational Foundation is a registered Charity (charity number 526956) and is governed by a Scheme dated 13 November 2001, reference N165/01(s), as amended by resolution dated 20 August 2009, made by the Charity Commissioners for England and Wales under the power given in the Charities Act 2011.

The Trustees are appointed under the Scheme as follows:

- a) The ex-officio Trustee will be the Vicar of the Parish of Ambleside or his / her nominee.
- b) The nominated Trustees must be appointed as follows :-
  - i) One from Cumbria County Council for 4 years
  - ii) Four by Lakes Parish Council for 4 years, of whom at least one shall be a woman.
  - iii) One by the governing body of University of Cumbria for 4 years
- c) The Co-opted Trustees are elected by the existing board of Trustees. Co-opted Trustees must be persons who the other Trustees consider can bring particular expertise or knowledge to the Trustee body. Each appointment must be for a term of 5 years.

All new Trustees are required to undertake an induction programme and undergo a structured introduction to the operation of the Foundation.

Trustee meetings are held 4 times per year to review and agree major area of policy or at such other times as considered necessary.

### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to major risks.

## **OBJECTIVES AND ACTIVITIES**

### **The Objects of the Charity are:**

1. The provision of special benefits, of any kind not normally provided by the Local Education Authority, for any Voluntary Schools and Academies that were formerly Voluntary Schools serving the area of benefit, with preference being given to Voluntary Schools and Academies that were formerly Voluntary Schools within Ambleside.
2. In promoting the education (including social and physical training) of persons under the age of 25 who are resident in the area of benefit and in need of financial assistance.
3. Any surplus income may be applied for the above objects in Patterdale Ward and the former County of Westmorland.

### **Strategies for achieving the Objects of the Charity**

1. Maintaining appropriate levels of income from
  - i. properties with regular rent reviews and oversight by agents, Carter Jonas.
  - ii. investments through investment managers, Castlefield Investments.
2. Informing potential beneficiaries through
  - i. Kelsick Brochure sent to all households
  - ii. our web-site: [www.kelsick.org.uk](http://www.kelsick.org.uk)
  - iii. annual advertisements in the 3 Parish Magazines going to all households
  - iv. direct contact with schools by visits by the Trustees.
  - v. Kelsick Office open each weekday morning
  - vi. all board meetings reported in the Westmorland Gazette

## **KELSICK'S EDUCATIONAL FOUNDATION**

### **Trustees' Annual Report For the year ended 31 March 2021**

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3. Meetings of the full Board of Trustees 4 times a year. At the quarterly meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including the consideration of grant making, property maintenance, investment, reserves and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the Board of Trustees is delegated to the Clerk to the Trustees. Meetings of sub-committees for Finance, Grants, Property and Publicity are convened as required. The Board keeps the skill requirements of the Trustee body under review in the event a Trustee permanently retires and new Trustees are required.
4. Circulating Solicitors with the Kelsick brochure in request of potential donations.

#### **Grant making policy**

The Foundation invites applications for grants from individuals, voluntary schools and groups by informing potential beneficiaries as stated on page 2. Applicants submit a summary of their requirements in specific format which is reviewed against criteria established by the constitution. The Trustees approve the grants at quarterly meetings.

Details of how to apply for grants, together with the relevant forms are available on the charity's website and on application to the Foundation office.

#### **ACHIEVEMENTS AND PERFORMANCE AND PLANS FOR FUTURE PERIODS**

The Kelsick's Education Foundation has been successful in its aims to help, support and nurture education in all its forms. We support the three primary schools Ambleside, Grasmere and Langdale from nursery care upwards. We also support the youth of our community in higher and further education, apprenticeship, multiple educational trips, dance, music and sport.

The Foundation will also react to ongoing situations quickly, if critical situation occurs.

We are facing uncertain times ahead due to COVID-19, we will have to be ready to change and react to events which are unfortunately out of our control.

#### **Grants**

From Table B it can be seen that the total value of Grants awarded has decreased, from £282,916 in 2019-2020, to £258,852 in 2020-2021. Grants to Ambleside, Grasmere and Langdale schools have increased from £177,351 in 2019-20 to £205,047 in 2020-21 an increase of £27,696.

Contacts with the schools has been difficult as face-to-face meetings unfortunately weren't allowed to take place. We still have concerns over the increase in special needs for EHCP children and how we find the best way to fund these children.

# KELSICK'S EDUCATIONAL FOUNDATION

Trustees' Annual Report  
For the year ended 31 March 2021

**Table A**

**Higher Education –Degree, HND- Number of Applicants and Grant Totals**

Academic Year	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> & 5 <sup>th</sup> Year	Total Nos	Grant Awarded for H.E.
2004-05	26	12	13	10	61	£61,771
2005-06	22	27	9	8	66	£55,623
2006-07	15	13	15	7	50	£43,364
2007-08	24	15	15	16	70	£77,999
2008-09	15	17	7	13	52	£70,545
2009-10	13	18	9	13	53	£67,616
2010-11	23	8	13	13	57	£65,733
2011-12	18	20	12	7	57	£53,122
2012-13	13	15	17	7	52	£54,540
2013-14	15	10	8	6	39	£37,393
2014-15	15	6	6	9	36	£31,116
2015-16	14	12	7	6	39	£33,147
2016-17	8	13	8	8	37	£35,230
2017-18	10	9	15	13	47	£42,937
2018-19	13	4	8	7	32	£49,682
2019-20	9	9	6	7	31	£29,353
2020-21	11	11	8	8	39	£33,459

The above numbers are to May only from 2007-08 onwards.

**Table B**

**Categories of grant awards and comparison with 2019-20**

Category	2020-21		2019-20	
	Grant for Category	As %age of total grant	Grant for Category	As %age of total grant
Primary - Individuals	£2,631	1.01%	£9,105	3.21%
Secondary and Further Education - Individuals	£13,019	5.02%	£34,500	12.19%
Higher Education	£33,459	12.92%	£44,247	15.63%
Schools	£205,047	79.21%	£177,351	62.68%
Special & other	£4,696	1.81%	£17,713	6.27%
<b>TOTAL</b>	<b>£258,852</b>	<b>100.00%</b>	<b>£282,916</b>	<b>100.00%</b>

Table A. This table should be read diagonally in order to see how the numbers of a given entry in a given year are maintained throughout a course.

Table B. This table shows the grant distribution between different categories.

## **KELSICK'S EDUCATIONAL FOUNDATION**

Trustees' Annual Report  
For the year ended 31 March 2021

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### **Property maintenance**

We are taking advice from Carter Jonas on all our properties on repairs and improvements.

### **Property generally**

The problems of 2019-2020 have all been resolved at great expense to the Foundation now we are in a better position with all our properties now let. The new procedure for letting out properties with Carter Jonas has been successful and is a more reliable way forward.

The Foundation has had to manage Covid-19 on a day-to-day response to any situation. We have kept in contact with our tenants to help and offer support when needed. The fears of losing large amounts of income from tenants who may have had to close or where unable to afford their rents, was a real possibility. This has not happened and we are very lucky to be in a better position than expected, but we have lost income from having to close the Kelsick Centre.

### **General**

Without the dedication of Peter Frost and Dorothy Dixon, the day to day work of the Foundation could not have taken place. We as Trustees and the people we support owe them a great deal of thanks as without them we may have ground to a halt, without efforts.

I would like to thank all Trustees for their support and backing over these very difficult times.

### **PUBLIC BENEFIT**

The Trustees of Kelsick's Educational Foundation believe they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Principle 1. There must be identifiable benefits**

- 1a) To provide grants for the educational needs of young people resident in the Lakes Parish and the Voluntary Schools in the same area.
- 1b) To reduce the financial constraints on the educational development of young people resident in the Lakes Parish.
- 1c) There does not appear to be any detriment in the benefits provided.

#### **Principle 2. Benefit must be to the public, or a section of the public.**

- 2a) The beneficiaries of the Kelsick Foundation are clearly laid out in the Scheme of 2001, and it is only to these beneficiaries that grants are given.
- 2b) The benefits are to a section of the public as laid down in the Charity Commission Scheme of 2001. This limits grant aid for educational need to young people under the age of 25 resident in the Lakes Parish and the Voluntary Schools in the same area. There are no other constraints applied by the Trustees other than the provision of receipts arising from the purchase of goods or services. The principle is that, no matter what the financial standing of the parents or of the individual, if the age, geographical and educational needs criteria are fulfilled the applicant will receive grant aid.

## KELSICK'S EDUCATIONAL FOUNDATION

Trustees' Annual Report  
For the year ended 31 March 2021

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### FINANCIAL REVIEW

The two main funding sources are income from property and income from investments.

#### **Activities and results**

At the end of the financial year money held in the Banks came to £238,618 (2020 - £234,220) representing an increase of £4,398 in the amount held compared with last year.

Our overall income for the year was £387,390 (2020 - £416,991) and expenditure £381,641 (2020 - £408,890).

Income from UK Investments was £51,371 (2020 - £74,561).

It is a continuing sign of the health of our finances that we are able to continue to fund all grant applications and have money available for emergency grant aid and for property maintenance. We now receive many letters from grant recipients, particularly in Higher Education, expressing their gratitude for the money they receive and stating how important it is in their being able to continue courses under considerably less financial stress.

#### **Fixed Asset investments**

The Trustees have appointed professional advisors (as noted on page 1) to assist them in the management of the property and investment portfolios. The net returns from the respective investments, after taking account of all directly attributable costs were 3.6% (2020 - 3.7%) for the property portfolio and 1.6% (2020 - 2.9%) for the investment portfolio. In the previous year the calculations were slightly distorted due to the reduction in the market value of investments because of the COVID pandemic. This year the market value of investments has started to increase which is now raising the return percentages.

The Trustees do not consider that the income generated by the Foundation should be significantly affected by the current pandemic.

#### **Reserves policy**

Unrestricted funds are needed

- a) to cover administration and support costs essential for the functioning of the Foundation.
- b) because some 85% of our income is derived from rents. All the properties have passed to the Foundation at the end of 99 year ground leases, and are therefore stone built, and expensive to maintain. It is essential we have significant reserves on which to draw for regular maintenance as well as for any major emergencies, the latter being, by definition, unpredictable, in order that our rental income can remain high.
- c) for the provision of grants. This being the purpose of the Foundation. It will be seen that our grant aid has increased from £45,166 in 1992/1993 to £258,852 in 2020/2021. With further financial pressure on students from fee increases we anticipate that grant aid will remain at least at this level again in 2021/2022. Furthermore, we frequently have requests for 'emergency grants' often of substantial amounts, particularly with regards to children with Special Needs and also developments within the three voluntary schools in the area of benefit.
- d) Investment income has stabilised with no further significant investment in the markets at present and while regular rent reviews take place they are at 2 or 3 year intervals and therefore there are flat periods in rental income increase.
- e) because at the commencement of each financial year the Foundation has substantial commitments in the form of grants payable to the three voluntary schools in our area as well as to individuals. These grants are not contractual.



## KELSICK'S EDUCATIONAL FOUNDATION

### Trustees' Annual Report For the year ended 31 March 2021

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The target level of free reserves is £200,000 which is based on six months unrestricted running costs together with a fund for property maintenance. Free reserves as at 31 March 2021 were £228,341 (2020 - £205,761).

#### TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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, 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report was approved on 12<sup>th</sup> August 2021 and was signed on behalf of the Trustees by:

Mr N Martin  
Chairman



## **KELSICK'S EDUCATIONAL FOUNDATION**

Independent Auditor's Report to the Trustees  
For the year ended 31 March 2021

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### **Opinion**

We have audited the financial statements of Kelsick's Educational Foundation (the 'Charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows 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, 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 31 March 2021 and of its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are

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 Trustees' 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the Charity has not kept adequate accounting records; 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.

## **KELSICK'S EDUCATIONAL FOUNDATION**

### **Independent Auditor's Report to the Trustees For the year ended 31 March 2021**

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#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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 144 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 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.

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:

#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- The nature of the industry and sector, control environment and business performance including the Charity's remuneration policies, key drivers for remuneration and performance targets;
- Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and the impact of COVID-19. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, Health and Safety Laws and Environmental Regulations.

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 may be fundamental to the company's ability to operate or to avoid a material penalty.

## KELSICK'S EDUCATIONAL FOUNDATION

Independent Auditor's Report to the Trustees  
For the year ended 31 March 2021

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### Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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.



1 City Road East  
Manchester  
M15 4PN

Michael Garrett (Senior Statutory Auditor)  
For and on behalf of  
**Kay Johnson Gee Limited**  
Statutory Auditors and Chartered Accountants

12 August 2021

Kay Johnson Gee Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# KELSICK'S EDUCATIONAL FOUNDATION

## Statement of Financial Activities For the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME</b>					
Investment income	3	387,390	-	387,390	416,991
<b>Total income</b>		<b>387,390</b>	<b>-</b>	<b>387,390</b>	<b>416,991</b>
<b>EXPENDITURE</b>					
<b>Costs of raising funds</b>					
Investment management costs	7	9,421	-	9,421	9,798
Investment property costs	7	103,624	-	103,624	98,521
<b>Expenditure on charitable activities</b>					
Education	7	258,852	-	258,852	285,645
Governance costs	7	9,744	-	9,744	14,926
<b>Total expenditure</b>		<b>381,641</b>	<b>-</b>	<b>381,641</b>	<b>408,890</b>
<b>Net income (expenditure) and net movement in funds before gains and losses on investments</b>					
		5,749	-	5,749	8,101
Gains (losses) on revaluation and disposal of investments	9	467,447	-	467,447	(277,493)
<b>Net movement in funds</b>		<b>473,196</b>	<b>-</b>	<b>473,196</b>	<b>(269,392)</b>
Fund balance at 1 April 2020		8,825,415	500	8,825,915	9,095,307
<b>Fund balance at 31 March 2021</b>		<b>9,298,611</b>	<b>500</b>	<b>9,299,111</b>	<b>8,825,915</b>

**KELSICK'S EDUCATIONAL FOUNDATION**

## Statement of Financial Position

As at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investment properties	8	6,518,750	6,518,750
Investments	9	2,552,020	2,101,404
		<b>9,070,770</b>	8,620,154
<b>Current assets</b>			
Debtors	10	25,254	8,963
Cash at bank and in hand		238,618	234,220
		<b>263,872</b>	243,183
<b>Creditors: amounts falling due within one year</b>	11	(35,531)	(37,422)
<b>Net current assets</b>		<b>228,341</b>	205,761
<b>Net assets</b>	12	<b>9,299,111</b>	8,825,915
<b>FUNDS</b>			
<b>Restricted funds</b>	13	500	500
<b>Unrestricted funds</b>	14		
- General funds		9,298,611	8,825,415
<b>Total funds</b>		<b>9,299,111</b>	8,825,915

The financial statements on pages 11 to 20 were approved by the Board of Trustees and signed on its behalf by:

Mr N Martin  
Trustee

12 August 2021



**KELSICK'S EDUCATIONAL FOUNDATION**Statement of Cash Flows  
For the year ended 31 March 2021

	2021 £	2020 £
<b>Net cash generated from operating activities</b>	<b>(12,433)</b>	<b>8,280</b>
<b>Cash flow from investing activities</b>		
Purchase of investments	(323,752)	(35,633)
Disposals of investments	340,583	36,565
<b>Net cash flow from investing activities</b>	<b>16,831</b>	<b>932</b>
<b>Change in cash and cash equivalents in the year</b>	<b>4,398</b>	<b>10,212</b>
<b>Cash and cash equivalents brought forward</b>	<b>234,220</b>	<b>224,008</b>
<b>Cash and cash equivalents carried forward</b>	<b>238,618</b>	<b>234,220</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	238,618	234,220
<b>Net cash generated from operating activities</b>		
Net movement in funds before gains and losses on investments	5,749	8,101
Depreciation	-	-
Increase in debtors	(16,291)	(1,658)
(Decrease) increase in creditors	(1,891)	2,837
	<b>(12,433)</b>	<b>9,280</b>

## KELSICK'S EDUCATIONAL FOUNDATION

### Notes to the Financial Statements For the year ended 31 March 2021

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#### 1 General information

Kelsick's Educational Foundation is a registered Charity (charity number 526956) and is governed by a Scheme dated 13 November 2001, reference N165/01(s), as amended by resolution dated 20 August 2009, made by the Charity Commission for England and Wales under the power given in the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

#### 2 Accounting policies

##### i. Basis of preparation

The accounts financial statements have been prepared in accordance with the relevant version of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### ii. Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value. UK quoted securities are valued at the mid-market price quoted by the London Stock Exchange at the year end date. Unit trusts are at the middle of the prices prevailing on that date. The SoFA includes the net gains and losses arising on the revaluation and disposals throughout the year.

Investment properties are not depreciated. They are valued periodically by Carter Jonas, Chartered Surveyors on an open market basis.

Depreciation is provided on associated fixtures used in the investment properties at rates calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, fittings and equipment	20% straight line
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##### iii. Funds

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable

Restricted funds are funds which have been given for a particular purpose. Details of the nature and purpose of the restricted fund is set out in note 14 to the financial statements.

Designated funds comprise those funds which the trustees periodically set aside for investment property refurbishments and other designated purposes.



## KELSICK'S EDUCATIONAL FOUNDATION

### Notes to the Financial Statements (continued)

For the year ended 31 March 2021

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#### **2 Accounting policies (continued)**

##### **iv. Income recognition**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the monetary value of income can be measured reliably.

Investment income is earned through holding assets for investment purposes including property and quoted securities. It includes rent, dividends and interest. Income from quoted securities is stated gross of tax and is included in the SOFA in the year in which it is receivable. Rental income is recognised when the Charity's right to payment is established.

The Charity funds its activities almost entirely through its investment income.

##### **v. Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure (including irrecoverable VAT) is accounted for on an accruals basis.

Costs of raising funds represents costs relating to activities where the primary aim is to raise funds and consists of expenditure relating to the management of investments.

Charitable activities comprise of those costs incurred by the charity where the primary aim is the delivery of activities and services within the objects of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable include all expenditure incurred on grants awarded or on other schemes run in the pursuance of the Foundation's objectives. Grants are accounted for when the Foundation has a legal or constructive commitment.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

##### **vi. Support costs allocation**

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time or estimated usage as set out in Note 7.

##### **vii. Gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value or cost in the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the SoFA.

##### **viii. Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### **ix. Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## KELSICK'S EDUCATIONAL FOUNDATION

Notes to the Financial Statements (continued)  
For the year ended 31 March 2021

<b>3 Investment income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Income from UK property</b>		
Rents receivable	335,095	341,795
<b>Income from UK investments</b>		
Interest and dividends	51,371	74,561
Bank interest receivable	924	635
	<b>52,295</b>	<b>75,196</b>
<b>Total investment income</b>	<b>387,390</b>	<b>416,991</b>

<b>4 Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and wages	31,609	32,787
Social security costs	-	-
	<b>31,609</b>	<b>32,787</b>

The average number of part time employees during the year was

	<b>Number</b>	<b>Number</b>
Administration support staff	2	2
Cleaner	1	1
	<b>3</b>	<b>3</b>

No employee received remuneration amounting to more than £60,000 in either year.

None of the Trustees received any remuneration or expenses during either of the above two years.

## 5 Taxation

The Foundation is a registered charity and does not pay income tax.

<b>6 Grants payable</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants awarded to voluntary schools and organisations		
Ambleside Primary School	96,616	77,013
Grasmere Primary School	53,760	58,800
Langdale Primary School	54,671	41,457
South Lakes Orchard Group	-	81
	<b>205,047</b>	<b>177,351</b>
Grants awarded to individuals	<b>53,805</b>	<b>105,565</b>
	<b>258,852</b>	<b>282,916</b>

Notes to the Financial Statements (continued)  
For the year ended 31 March 2021

	Basis of allocation	Investment management costs £	Investment property costs £	Education £	Governance £	2021 Total £	2020 Total £
<b>Costs directly allocated to activities</b>							
Staff costs	Direct	-	5,304	-	-	5,304	5,660
Grants to individuals	Direct	-	-	53,805	-	53,805	105,565
Grants to voluntary schools and organisations	Direct	-	-	205,047	-	205,047	177,351
Investment management fees	Direct	9,421	-	-	-	9,421	9,798
Rates and services	Direct	-	9,598	-	-	9,598	9,355
Maintenance and repairs	Direct	-	32,113	-	-	32,113	24,335
Insurance	Direct	-	13,116	-	-	13,116	12,649
Legal and professional fees	Direct	-	11,283	-	900	12,183	18,627
Bad debts	Direct	-	-	-	-	-	1,890
Sundry expenses	Direct	-	2,768	-	-	2,768	4,444
Auditors' fees - audit services	Direct	-	-	-	7,800	7,800	7,800
Auditors' fees - other services	Direct	-	-	-	1,044	1,044	624
Depreciation	Direct	-	-	-	-	-	-
<b>Support costs allocated to activities</b>							
Staff costs	Staff Time	-	26,305	-	-	26,305	27,127
Office costs	Usage	-	3,137	-	-	3,137	3,665
		9,421	103,624	258,852	9,744	381,641	408,890

## KELSICK'S EDUCATIONAL FOUNDATION

Notes to the Financial Statements (continued)  
For the year ended 31 March 2021

### 8 Investment properties

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost / Valuation</b>			
At 1 April 2020	6,518,750	70,319	6,589,069
Additions	-	-	-
Revaluation	-	-	-
At 31 March 2021	6,518,750	70,319	6,589,069
At cost	-	70,319	70,319
At valuation	6,518,750	-	6,518,750
	6,518,750	70,319	6,589,069
<b>Depreciation</b>			
At 1 April 2020	-	70,319	70,319
Disposals	-	-	-
Charge for the year	-	-	-
At 31 March 2021	-	70,319	70,319
<b>Net book value :</b>			
At 31 March 2021	6,518,750	-	6,518,750
At 31 March 2020	6,518,750	-	6,518,750

The freehold land and buildings belonging to the Foundation were revalued at an open market value for existing use basis on 1 June 2017 by Carter Jonas, Chartered Surveyors. The trustees consider the fair value of properties at 31 March 2020 remains a reasonable value as at 31 March 2021.

### 9 Fixed Asset Investments

	2021 £	2020 £
<b>Fair value :</b>		
At 1 April 2020	2,101,404	2,379,829
Additions at cost	323,752	35,633
Disposal proceeds	(340,583)	(36,565)
Increase (decrease) in fair value	467,447	(277,493)
At 31 March 2021	2,552,020	2,101,404

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets including the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

# KELSICK'S EDUCATIONAL FOUNDATION

Notes to the Financial Statements (continued)  
For the year ended 31 March 2021

## 9 Fixed Asset Investments (continued)

	Cost 2021 £	Market Value 2021 £	Cost 2020 £	Market Value 2020 £
<b>Direct Property &amp; Property Funds</b>				
Mayfair Capital In Prop Inc Trust	76,016	77,991	95,020	103,369
<b>Fixed interest &amp; fixed interest funds</b>				
Rathbone UT MGT Ethical Bond	44,283	44,127	21,028	19,641
UK Govt. 2.5% 2020	-	-	18,514	18,383
UK Govt. 8% Treasury 2021	24,635	17,826	24,635	19,166
Retail & Charity Bon 4.375% SNR 29/07/23	21,356	20,789	21,356	19,782
Places for People 4.25%	24,425	25,678	24,425	22,202
Retail Charity BON 5% NTS 12/04/26	8,125	9,273	8,125	8,168
Retail Charity Bon 4.25% SNR 06/07/2028	14,625	25,581	14,625	14,143
Retail Charity BON 4.4% BDS 30/04/25	24,307	28,240	24,307	22,941
Retail Charity BON 4% SNR SEC 31/10/2027	26,725	23,066	26,725	24,075
Retail Charity BON 4.25% SNR 2028	22,725	25,424	22,725	19,644
Retail Charity Bon 4.25% SNR 20/06/2028	24,625	15,543	24,625	22,325
	235,831	235,547	231,090	210,470
<b>Global Equities &amp; Equity Funds (ex UK)</b>				
Castlefield FS PTN B.E.S.T SUST EURP	63,396	77,485	51,356	46,405
Powershares Global FTSE RAFI US 1000	-	-	66,405	84,026
Ishares MSCI Japan USD DIS NAV	-	-	31,791	34,464
Ishares MSCI AC FE X-JP UCITS ETF U	-	-	3,776	3,391
DB X-Trackers MSCI AC Asia Ex Japan	-	-	25,923	37,173
DB X - Trackers MSCI EMG MKT TRN	-	-	6,076	7,523
Merian Invest MGMT Merian NA EQTY R	-	-	37,668	36,545
	63,396	77,485	222,995	249,527
<b>Global Equities &amp; Equity Funds (In UK)</b>				
FUNDROCK PTNRS LTD FP WHEB SUST B GBP ACC	72,975	81,107	-	-
FIRST SENTIER INVR STEWART INV WIDE SUSTA	85,782	95,025	-	-
LIONTRUST FUND PAR SUST FUTURE GBL GTH 2 A	39,120	42,502	-	-
SARASIN FUND MANAG SRSIN RESPONSIBLE GBI	30,095	33,507	-	-
	227,972	252,141	-	-
<b>Multi-Asset Funds</b>				
Castlefield FD PTN MNGD Mutli-Asset	88,763	105,451	142,918	140,707
COIF income shares	23,785	496,871	23,785	415,260
	112,548	602,322	166,703	555,967
<b>Other assets</b>				
Capital for Colleagues Ord 0.40	43,605	42,241	43,605	42,716
<b>UK Equities &amp; Equity Funds</b>				
Castlefield FD PTN BEST Income	518,164	533,232	457,714	402,094
Castlefield FD PTN UK Smaller Cos Fund	379,378	603,316	45,913	82,084
Castlefield FD PTN UK Opportunities	45,913	127,745	379,378	455,177
	943,455	1,264,293	883,005	939,355
<b>TOTAL</b>	<b>1,702,823</b>	<b>2,552,020</b>	<b>1,642,418</b>	<b>2,101,404</b>

# KELSICK'S EDUCATIONAL FOUNDATION

Notes to the Financial Statements (continued)  
For the year ended 31 March 2021

<b>10 Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Other debtors	25,254	8,963
Prepayments and accrued income	-	-
	<b>25,254</b>	<b>8,963</b>

<b>11 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	£	£
Trade creditors and accruals	14,133	16,774
Other creditors	21,398	20,648
	<b>35,531</b>	<b>37,422</b>

<b>12 Analysis of net assets between funds</b>	<b>General</b>	<b>Restricted</b>	<b>Total</b>
	<b>Unrestricted</b>	<b>funds</b>	<b>funds</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
	£	£	£
Fixed assets	9,070,270	500	9,070,770
Current assets	263,872	-	263,872
Current liabilities	(35,531)	-	(35,531)
<b>Net assets at 31 March 2021</b>	<b>9,298,611</b>	<b>500</b>	<b>9,299,111</b>

<b>13 Restricted funds</b>	<b>2021</b>	<b>2020</b>
	£	£
At 31 March 2021 and 31 March 2020	<b>500</b>	<b>500</b>

Lanty Brow was gifted to the Foundation by the executors of the estate of the late Mr Hymas in December 1990, under a deed of covenant which stipulated that no building was to take place on the land.

<b>14 Unrestricted funds</b>	<b>2021</b>	<b>2020</b>
	£	£
Balance at 1 April 2020	8,825,415	9,094,807
Incoming resources	387,390	416,991
Resources expended	(381,641)	(408,890)
Investment (losses) gains	467,447	(277,493)
<b>Balance at 31 March 2021</b>	<b>9,298,611</b>	<b>8,825,415</b>

<b>15 Control</b>
There is no ultimate controlling party.