

**THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Armitage Fr J O'Reilly A Gavin J Crossley J Reddin J Tucker S Spillane
Charity number	528288
Principal address	The Clerk 58 Beverley Road Leamington Spa CV32 6PJ
Independent examiner	Rachel Skells BA FCA Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

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THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "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

The charity's objectives are the provision of education to children attending Ratcliffe College, Leicester with preference given to children of former pupils of Ratcliffe College and children of poor Irish parents.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The Trustees review new applications for grants towards the provision of education to children in accordance with the objectives of the charity. All grants have for many years been based on financial need as against scholastic ability and the Trustees have endeavoured wherever possible to fund pupils whose parents are unable to complete their studies as a result for instance of the loss of a job or redundancy.

The Trustees have had due regard to guidance issued by the Charity Commission on public benefit and consider that the activities of the charity meet the requirements of the guidance.

The Trustees policy also necessitates review of all grants where the grantee has reached year eight at Ratcliffe College and is proceeding to GCSE. Grantees who have completed GCSE courses and are continuing to A level courses are also reviewed.

Covid-19

All meetings during the pandemic have followed government guidance and have been carried out via Zoom, which has enabled the activities and governance of the charity to continue with minimal impact. Trustees believe that meetings will be via Zoom for the foreseeable future.

Achievements and performance

During the year the fund paid £49,870 in "usual" grants and £71,960 for exceptional Covid support grants. This level of grant payments is unsustainable for the Fund in the longer term, but the Trustees believed they should, in these unprecedented times, reduce their distributable reserves to aid the children of those currently at the School to help continue their education.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Financial markets have seen some volatility which is as a result of the economic impact of the pandemic. The Fund is still in a healthy position at the year end with £2.025m invested with our Fund Managers James Hambro Partners. This is an increase from £1.788m at 31st March 2020, despite taking additional cash away from the Fund Managers during the year to pay for the emergency grants.

The charity retains approximately one year's grants in bank balances and the Trustees believe that in the event of any further reduction in the fund's investments the charity will remain a going concern and be able to cover its liabilities. The Trustees will continue to closely monitor the situation, with quarterly and ad hoc reports from their professional financial advisor.

The results for the year are shown on pages 5 to 13 of the financial statements. The charity has incurred a deficit of £106,213 before investment gains of £285,610.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The total unrestricted reserves at the year-end stood at £265,791 (2020: £296,427) of which £48,040 (2020: £120,000) is held as designated funds, please see note 14 to the financial statements. Endowment funds totalled £1,772,871 (2020: £1,562,838). The Trustees have agreed a policy whereby unrestricted funds not committed or invested in tangible fixed assets or investments held by the charity should be maintained at approximately a year's outgoings on scholarship awards.

Additional surplus income has been invested to provide additional income.

This policy allows for a possible reduction in the more stable parts of income and so would allow the charity to continue its activities at the current level for some years.

The Trustees have considered the risks to which the charity is exposed and have established monitoring processes to understand and mitigate those risks. Strategic and shorter-term plans are reviewed regularly and funding obtained from a number of sources. Internal risks are minimised by implementing procedures for authorising transactions, grants etc, and to ensure consistent quality of delivery for all operational aspects of the charity.

The Trustees review these procedures periodically.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The charity was formed following the amalgamation of the Ratcliffian Association Centenary Fund, Ratcliffian Association Land Trust, Cunningham Centenary Fund, and the Ratcliffian Association University Scholarship Trust Fund.

The approval of this scheme was given by the Association Council on 27 November 1997, and the scheme was registered with the Charity Commissioners for England & Wales (registered number 528288) and is regulated by schemes sealed on 7 January 1998.

The trustees who served during the year and up to the date of signature of the financial statements were:

R Armitage
Fr J O'Reilly
A Gavin
J Crossley
J Reddin
J Tucker
S Spillane

Provincial of the Institute of Charity and the Headmaster are ex-officio Trustees. Other Trustees are appointed by the Council of the Ratcliffian Association for periods of 4 years in accordance with the scheme rules. All Trustees are long standing and experienced. Any new Trustees are advised concerning their duties and responsibilities by the Clerk to the Charity.

New co-optative trustees are appointed by the Ratcliffian Association Council based on their character, experience and suitability for trusteeship of the Charity and receive ad hoc training.

The Trustees report was approved by the Board of Trustees.

R Armitage

Trustee

Dated: 17 November 2021

J Crossley

Trustee

Dated: 17 November 2021

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

I report to the trustees on my examination of the financial statements of The Ratcliffian Association and Cunningham Fund (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Rachel Skells BA FCA

Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Dated: 17 November 2021

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	Notes	2021	2021	2021	2020	2020	2020
		£	£	£	£	£	£
<u>Income from:</u>							
Donations and legacies	3	478	-	478	756	-	756
Investments	4	21,254	-	21,254	33,799	-	33,799
Total income		21,732	-	21,732	34,555	-	34,555
<u>Expenditure on:</u>							
Raising funds	5	-	5,054	5,054	-	4,908	4,908
Charitable activities	6	122,891	-	122,891	10,676	-	10,676
Total resources expended		122,891	5,054	127,945	10,676	4,908	15,584
Net gains/(losses) on investments	10	18,874	266,736	285,610	(58,662)	(21,643)	(80,305)
Net (outgoing)/incoming resources before transfers		(82,285)	261,682	179,397	(34,783)	(26,551)	(61,334)
Gross transfers between funds		51,649	(51,649)	-	-	-	-
Net movement in funds		(30,636)	210,033	179,397	(34,783)	(26,551)	(61,334)
Fund balances at 1 April 2020		296,427	1,562,838	1,859,265	331,210	1,589,389	1,920,599
Fund balances at 31 March 2021		265,791	1,772,871	2,038,662	296,427	1,562,838	1,859,265

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11		2,025,830		1,788,157
Current assets					
Cash at bank and in hand		43,660		76,707	
Creditors: amounts falling due within one year	12	(30,828)		(5,599)	
Net current assets			12,832		71,108
Total assets less current liabilities			2,038,662		1,859,265
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		1,772,871		1,562,838	
		1,772,871		1,562,838	
Permanent endowment		-		-	
Expendable endowment		1,772,871		1,562,838	
	13		1,772,871		1,562,838
Income funds					
<u>Unrestricted funds</u>					
Designated funds	14	48,040		120,000	
General unrestricted funds		217,751		176,427	
			265,791		296,427
			2,038,662		1,859,265

The financial statements were approved by the Trustees on 17 November 2021

R Armitage
Trustee

J Crossley
Trustee

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Ratcliffian Association and Cunningham Fund is a charity, registered with the Charity Commission for England and Wales and is regulated by the Trust Deed dated 7 January 1998.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

1.5 Expenditure

Expenditure on grants is recorded once the Trust has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Other expenditure is included in the accounts on the accruals basis. Irrecoverable VAT is charged to the SOFA as incurred.

The cost of managing investments is split 25:75 between administration fees charged to raising funds and endowment investment fees charged to unrealised gains on investments.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets comprise cash at bank together with other debtors. Cash at bank is defined as all cash held in instant access bank accounts and used as working capital. Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Financial liabilities held at amortised cost comprise all creditors.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	478	756
	<u>478</u>	<u>756</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	20,487	31,681
Interest receivable	767	2,118
	<u>21,254</u>	<u>33,799</u>

5 Raising funds

	Endowment funds general	Endowment funds general
	2021	2020
	£	£
Investment management	5,054	4,908
	<u>5,054</u>	<u>4,908</u>

The portfolio is managed by James Hambro. Investment managers fees for the year totalled £20,216 (2020: £19,506) and have been split 25:75 between raising funds (£5,054) and unrealised gains on investments (£15,162) and both expensed within the endowment funds.

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	2021 £	2020 £
Independent examiners fees	1,027	977
Sundry expenses	35	281
	<u>1,062</u>	<u>1,258</u>
Grant funding of activities (see note 7)	121,829	9,418
	<u>122,891</u>	<u>10,676</u>

7 Grants payable

	2021 £	2020 £
Grants to individuals	121,829	9,418
	<u>121,829</u>	<u>9,418</u>

Included within grants to individuals is £71,960 for emergency Covid-19 support (2020: £Nil). This is paid out of designated funds.

8 Trustees

During the year, no Trustees received remuneration for their services (2020: £Nil). During the year, no Trustees were reimbursed for travel expenses (2020: two Trustees were reimbursed £173) and no Trustees paid for professional membership fees on behalf of the charity (2020: one Trustee paid £127).

At the year end, £127 was outstanding for professional membership fees which had not been reimbursed to the Trustee (2020: £127).

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2021	Total 2020
	£	£	£	£
Revaluation of investments	16,205	202,119	218,324	(88,421)
Gain/(loss) on sale of investments	2,669	64,617	67,286	8,116
	<u>18,874</u>	<u>266,736</u>	<u>285,610</u>	<u>(80,305)</u>
For the year ended 31 March 2020	<u>(58,662)</u>	<u>(21,643)</u>		<u>(80,305)</u>

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2020	1,510,299	277,858	1,788,157
Additions	866,340	-	866,340
Valuation changes	300,772	-	300,772
Disposals	(731,156)	(198,283)	(929,439)
At 31 March 2021	1,946,255	79,575	2,025,830
Carrying amount			
At 31 March 2021	1,946,255	79,575	2,025,830
At 31 March 2020	1,510,299	277,858	1,788,157

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Bursaries pledged for future terms	24,700	-
Accruals and deferred income	6,128	5,599
	30,828	5,599

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Endowment funds

The income earned by the endowment investments is utilised to provide grants in accordance with the charity's governing document.

	Movement in funds				Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Expendable endowments					
Endowment fund	1,562,838	266,736	(5,054)	(51,649)	1,772,871
	<u>1,562,838</u>	<u>266,736</u>	<u>(5,054)</u>	<u>(51,649)</u>	<u>1,772,871</u>
	<u><u>1,562,838</u></u>	<u><u>266,736</u></u>	<u><u>(5,054)</u></u>	<u><u>(51,649)</u></u>	<u><u>1,772,871</u></u>

Endowment funds are funds which have been given to the charity subject to the restriction that they are held as capital.

The transfer between the endowment fund and unrestricted reserves has occurred due to the endowment losses in the investments being incorrectly reported to the unrestricted funds in the prior year.

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees. This fund was set aside in 2020 specifically for the provision of additional Covid-19 support grants which are to be awarded to families with children at the school who have been financially effected by the pandemic.

	Balance at 1 April 2020	Resources expended	Balance at 31 March 2021
	£	£	£
COVID-19 Relief fund	120,000	(71,960)	48,040
	<u>120,000</u>	<u>(71,960)</u>	<u>48,040</u>
	<u><u>120,000</u></u>	<u><u>(71,960)</u></u>	<u><u>48,040</u></u>

THE RATCLIFFIAN ASSOCIATION AND CUNNINGHAM FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Investments	252,959	1,772,871	2,025,830	225,319	1,562,838	1,788,157
Current assets/ (liabilities)	12,832	-	12,832	71,108	-	71,108
	<u>265,791</u>	<u>1,772,871</u>	<u>2,038,662</u>	<u>296,427</u>	<u>1,562,838</u>	<u>1,859,265</u>
	<u><u>265,791</u></u>	<u><u>1,772,871</u></u>	<u><u>2,038,662</u></u>	<u><u>296,427</u></u>	<u><u>1,562,838</u></u>	<u><u>1,859,265</u></u>

16 Related party transactions

There were no further disclosable related party transactions during the year other than those included in note 8 of the financial statements (2020- none).