

Charity No. 307099 (England and Wales)

**THE SIR ANDREW JUDD FOUNDATION
TRUSTEE'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022**

THE SIR ANDREW JUDD FOUNDATION

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THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 30 JUNE 2022

History and introduction

Sir Andrew Judd, Skinner, a citizen of London and Lord Mayor, built and endowed "The Free Grammar School of Sir Andrew Judd", commonly known as Tonbridge School. In 1553, he obtained a grant by Letters Patent or Charter constituting himself sole Governor during his lifetime and directing that, after his death, the Master, Wardens and Commonalty of the Skinners' Company were to be the Governors. In 1558, by his will, he bequeathed to the Master and Wardens property in the City of London and at St Pancras for the maintenance of the School and for other purposes.

In 1888 the Foundation established a second school in Tonbridge known initially as "The Commercial School" but latterly as "The Judd School". Since the 1944 Education Act Judd School itself has been managed by a separate Board of Governors as a Voluntary Aided Grammar School under the auspices of the Kent Education Committee. The charity known as the Judd School, which no longer manages the School, continued to be registered as a subsidiary charity of the Foundation until 23 May 2005. It is now a completely separate entity, under the name of the Judd School Foundation.

In 2002 the decision was taken to transfer the business of Tonbridge School into a separate charitable company limited by guarantee, under the control of its own Governors. This Company, with the name 'Tonbridge School', was incorporated on 4 June 2003 and the transfer took place on 30 June 2003. Since that date the Foundation has had no responsibility for the operation and management of the School. It has retained ownership of its investment assets and virtually all the School buildings, and its charitable objects are now as set out below. The address of the Foundation and its subsidiary charity is Skinners' Hall, 8 Dowgate Hill, London, EC4R 2SP.

Subsidiary charity

At 30 June 2022 the Charity had one subsidiary charity, The Tonbridge School Appeal. This was the vehicle for an appeal launched in 1993 and is now dormant.

Constitution

The governing document is a Charity Commission Scheme dated 30 June 2003. The objects of the Charity are: -

- The provision of items, services and facilities for Tonbridge School;
- The advancement of education of the boys at Tonbridge School by the provision of scholarships and prizes and such other means as the trustee shall determine;
- The advancement of education by educational activities ancillary and incidental to the running of Tonbridge School and other associated activities for the benefit of the community.

Trustee

The Worshipful Company of Skinners.

Committee

The Trustee appoints a committee, which meets at least twice a year, to oversee the management of the Charity and delegates to it the responsibility for awarding grants to beneficiaries, within guidelines laid down by the Trustee. The Trustee keeps the skills requirements of the Committee under review and aims to ensure that the Committee includes persons with the appropriate skills, experience and training (including in financial and investment areas). All members of the Committee are drawn from the Freedom, Livery or Court of the Company. This may include persons who are also governors or who have a close connection with Tonbridge School, but these will be in the minority. The Committee works closely with the Skinners' Investment Committee.

THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

The following served on the Committee during the year:

Mr P T Crosthwaite (Chairman)
Mrs A Baird (from 15 July 2021)
Sir Jonathan Cohen
Mr M F Dobbs*
Mr R N Dobbs
Mr A G Boggis
Mr R Elliott* (to 31 August 2022)
Mr C H D Everett
Mr E D J Goodchild ex officio
Major General John Moore-Bick
Mr Gavin Rochussen* (from 1 September 2022)
The Earl of Woolton

*These Committee members were also Governors of Tonbridge School.

Key management personnel and remuneration

The Trustee considers the Director of Finance to be the key management personnel of the Charity in charge of directing and controlling the Charity and operating it on a day to day basis. The Committee members give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 3.

The Charity's operations

The aims of the Charity in the year to 30 June 2022 were:

- To improve the facilities at Tonbridge School (charity number 1097977) mainly by giving grants for building and refurbishment projects
- To assist the Governing Body of the School primarily by providing the services of the Clerk to the Governors and an education officer
- To help boys of sporting ability to attend the School through provision of Cowdrey Scholarships
- To support the Judd School, Tonbridge, to the modest extent permitted by the Charity's Constitution.

The Charity's main objectives for the year were:

- To make grants to Tonbridge School in respect of building and refurbishment works
- To contribute to the efficient governance of the School through providing the services of the Clerk to the Governors and an education officer

In order to achieve the stated objectives, the Trustee's strategy is to ensure that its endowment is managed with proper regard for the longer term. It therefore takes expert advice on its property investments and, through delegated authority to the Skinners' Company Investment Committee, entrusts the management of its securities portfolio to two separate fund managers. Regular discussions are held with the Investment Committee to ensure that the level of drawdown extracted from the portfolio is sustainable and does not conflict with the longer term growth of capital and income.

Significant activities which contribute to the objects include:

- Regular meetings with property managers, written reports and performance reviews against relevant benchmarks. The Chairman of the Investment Committee is ex officio a member of the Foundation's Committee.
- Regular dialogue with Tonbridge School which informs the Committee of significant building requirements.

Grants are made after close consultation with the Schools and with reference to the restrictions within the governing document.

THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

Financial review

The funds under the Trustee's control consist of:

Endowment funds

- The permanent endowment of the Charity
- The Capital Replacement Fund (explained in Note 1.15 to the accounts)

Unrestricted funds

- The funds available to the Trustee for the general purposes of the Charity.

The Statement of Financial Activities of the Charity demonstrates that the year's objectives have been met and is summarised below.

	2022 £	2021 £
Available income for the year		
Endowment investment income	2,031,795	1,834,613
Cost of raising funds	(107,678)	(166,154)
Charitable expenditure		
Grants to the School	(1,592,816)	(1,595,899)
Advice and technical support	(256,296)	(182,961)
School visit and hospitality	(4,133)	(100)
Scholarships	(30,047)	(36,801)
Depreciation of School buildings	(613,980)	(613,980)
Grant to the Judd School, Tonbridge	(29,780)	(29,714)
Governor Training Grant	-	(305)
Net outgoing resources for the year before transfers and gains	(602,935)	(791,301)

The Trustee confirms that the assets of the various funds are available and adequate to fulfil the relevant obligations.

The bonds issued to the total value of £2m matured during the year and have all been repaid. These carried interest at 1.5% per annum, payable quarterly. The proceeds of these bonds had been lent to Tonbridge School. This loan was repaid at the end of the Financial Year.

The Charity entered into a further loan to the School of £8m which has been drawn down. This loan carries variable interest at CPI and is repayable at a rate of £500k p.a. commencing 2023-24. Loan interest of £56,000 was receivable in the year and has been credited to endowment to maintain the value of the capital over the period of the loan.

Reserves policy

In view of the level each year of reliable and unrestricted income from the endowment, the Trustee does not currently believe it necessary or appropriate to hold separate and additional reserves on unrestricted funds.

Nevertheless, reserves may arise from time to time due to fluctuations in incoming and outgoing resources. Reserves held on unrestricted funds as at 30 June 2022 amounted to £1,264,455. It is the intention of the Trustee that these reserves will help smooth the payment of grants over the next few years. The Trustee keeps the policy and reserves under review annually.

THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

Investment policy and performance

The Trustee is governed by the Trustee Act 2000 in the management of the endowment. The Trustee, in deciding the investment policy, has due regard to the long term aims of the Foundation, its future funding requirements, its attitude to risk and the need to maintain a balanced portfolio.

On 14 January 2014 the Trustee passed a resolution under s104(B) of the Charities Act 2011 and resolved to adopt a total return policy for the managed portfolio, having calculated the unapplied total return on that portfolio at that date of £1,054,240. All returns (both capital and income) on these investments subsequent to the resolution are credited to the Endowment Fund. The Trustee, in consultation with the Skinners' Investment Committee, has decided to transfer 2.4% of the portfolio value to unrestricted funds for application, and this will be reviewed annually.

The Foundation's investment objective is to maintain the real value of the endowment and to achieve a total return of RPI + 3.5% p.a. over the medium to long term. Management of the Foundation's main investment portfolio was split between Cazenove Capital, CCLA and Sarasin. The year continued to be a difficult one for financial markets due to the effects on values of Covid-19, however the performance of the portfolio recovered some of the loss of the previous year. The portfolio however is invested for the long term and the Investment Committee does not place undue weight on a single year's performance but does make changes when a fund manager's results consistently underperform. The long term performance remains satisfactory. Additional funds are held in Property Unit Trusts as shown in note 8. These have performed well during the period. The Foundation also has a large holding of Investment Properties which are mainly let on long leases. The area of London in which the majority are located has shown strong recent growth which it is expected will drive value growth in the long term. Certain of the Foundation's properties that are let as public houses have been affected by the Covid-19 crisis and the Foundation is proactively working with its tenants.

Risk management

The Committee maintains a risk register and reviews risk areas annually. This ensures the Trustee is in the best position to identify the major risks to which the Charity is exposed and establish systems to ensure that these risks are reviewed and minimised as far as possible. The principal risk faced by the charity is that investment returns may not be sufficient to meet its objectives. This is mitigated by retaining expert investment managers and having a diversified portfolio. The adoption of the total return approach helps stabilise the resources available each year. The Charity does not commit to future grants thereby controlling its outgoings according to its resources.

Fundraising

The Trustee takes its responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and has considered the implications on the activities of the charity. The charity does not actively raise funds or solicit donations directly from the general public but does receive a small number of donations each year. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Future plans

The Charity's main objectives for the coming year are as follows:

- To continue to make grants to Tonbridge School and where possible to the Judd School to the extent permitted by the Charity's constitution.
- To continue to contribute to the efficient governance of the School.

THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

Public benefit

The Trustee has complied with the duty in section 4 of the Charities Act 2011 to have due regard to all guidance published by the Charity Commission. The Foundation works with Tonbridge School to ensure that its grants are used to widen access and the grants are used to part-fund the School's Foundation Award bursaries. The School site and buildings are used for many public activities, with the Theatre, Chapel, and other venues provided free of charge to several local good causes with others including ten local primary schools as well as secondary schools benefitting from concessionary rates. The Sports Centre at the School hosts clubs and organisations through its Community Use Agreements, which secured facilities for local football, athletics, and squash clubs. Tonbridge School, in addition, undertakes a wide range of public benefit activities of its own.

Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's 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 trustee 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 trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 in business.

The Trustee is 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. It is 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.

Bankers and professional advisers

Bankers	Royal Bank of Scotland PLC 62/63 Threadneedle Street London EC2R 8LA
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

THE SIR ANDREW JUDD FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

Investment managers

Cazenove Capital
1 London Wall Place
London EC2Y 5AU

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London, EC4M 8BU

CCLA Fund Managers Ltd
85 Queen Victoria Street,
London, EC4V 4ET

Surveyors and property advisers

Gerald Eve LLP
46 Bow Lane
London
EC4M 9DL

Insurance advisers

Marsh Brokers Limited
1-5 Perrymount Road
Haywards Heath
West Sussex
RG16 3DY

Approved by the Trustee
and signed on behalf of the Trustee by



A C P Kennett
Clerk

1 December 2022

THE SIR ANDREW JUDD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE FOR THE YEAR ENDED 30 JUNE 2022

Opinion

We have audited the financial statements of Sir Andrew Judd Foundation for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. 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 course of 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.

THE SIR ANDREW JUDD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE FOR THE YEAR ENDED 30 JUNE 2022

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 require us to report to you if, in our opinion:

- the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient 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.

Responsibilities of trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 5, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with representatives of the trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with representatives of the trustee and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

THE SIR ANDREW JUDD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE (continued) FOR THE YEAR ENDED 30 JUNE 2022

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 16 December 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE SIR ANDREW JUDD FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

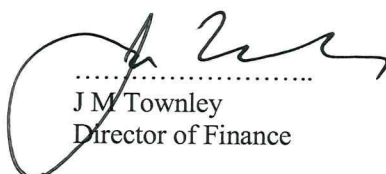
	Notes	Endowment Funds				Permanent Endowment	Total 2022	Total 2021
		Unrestricted Funds	Capital Replacement Fund	£	£			
Income from:		£			£		£	£
Investments	2	1,285,449	-		745,869		2,031,318	1,834,264
Bank interest		477	-		-		477	349
Donations		-	-		-		-	-
Total income		1,285,926	-		745,869		2,031,795	1,834,613
Expenditure on:								
Raising funds - investment management costs		15,452	-		36,142		51,594	86,006
- investment property costs		26,084	-		-		26,084	50,148
- gross interest on bonds		30,000	-		-		30,000	30,000
Charitable Activities	3	1,913,072	-		613,980		2,527,052	2,459,760
Total expenditure		1,984,608	-		650,122		2,634,730	2,625,914
Realised gain/(loss) on investments	4	-	-		406,356		406,356	388,250
Unrealised gain/(loss) on investments	5	-	-		776,380		776,380	10,025,043
Net (expenditure)/income		(698,682)	-		1,278,483		579,801	9,621,992
Transfers between funds								
Transfer from total return for application	6	869,000	-		(869,000)		-	-
Annual appropriation to the Capital Replacement Fund		(2,000)	2,000		-		-	-
Net movement in funds for the period		168,318	2,000		409,483		579,801	9,621,992
Balances brought forward 1 July 2021		1,096,137	489,413		106,196,245		107,781,795	98,159,803
Balances carried forward 30 June 2022		1,264,455	491,413		106,605,728		108,361,596	107,781,795

THE SIR ANDREW JUDD FOUNDATION

BALANCE SHEET AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
School buildings and equipment	7		16,232,394		16,846,372
Investments	8		58,270,535		56,890,571
Investment properties	9		26,029,144		26,029,144
Program related investment	10		8,000,000		10,000,000
Cash in transit for investment			-		-
			108,532,073		109,766,087
Current assets					
Debtors	11	314,649		373,742	
Cash		1,241,380		1,403,640	
		1,556,029		1,777,382	
Creditors: due within one year	12	(226,506)		(261,674)	
Net current assets			1,329,523		1,515,708
Creditors: due after more than one year	12		(1,500,000)		(3,500,000)
Net assets	15		108,361,596		107,781,795
Funds					
Endowment funds	15		107,097,141		106,678,658
Unrestricted funds			1,264,455		1,103,137
	15		108,361,596		107,781,795

Approved by the Trustee on 1 December 2022 and signed on behalf of the Trustee by



 J M Townley
 Director of Finance

THE SIR ANDREW JUDD FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	17	(1,549,851)	(1,952,601)
Cash flows from investing activities			
Dividends, interest and rents from investments		1,991,177	1,834,613
Proceeds from the sale of property		-	-
Purchase of property plant and equipment		-	-
Proceeds from sale of investments		20,567,663	11,411,833
Purchase of investments		(21,171,249)	(11,865,960)
Net cash provided by investing activities		1,387,591	1,380,486
Cash flows from financing activities			
Loan to Tonbridge School		2,000,000	-
Bonds issued		(2,000,000)	-
Change in cash and cash equivalents in the reporting period	18	(162,260)	(572,115)
Cash and cash equivalents at the beginning of the reporting period		1,403,640	1,975,755
Cash and cash equivalents at the end of the reporting period		<u>1,241,380</u>	<u>1,403,640</u>

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

1.1 Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of investments (including property held for investment purposes), and in accordance with the second edition 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) published in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The accruals basis is followed throughout.

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 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102. 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 £.

1.2 Going concern

In second half of the financial year, saw the start of a war in Ukraine and an energy cost crisis. The main impact of the energy crisis on the charity has been on the investment valuations and on expected future investment income. The impact on investment income into the future is more uncertain. After reviewing the Charity's forecasts and projections, the Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its accounts.

1.3 Investments

Securities held as investments are stated at market value at the year end. Investment properties, in all of which the Charity has a freehold interest, are stated in the accounts at market value. Each year some of the properties are selected for revaluation by the Charity's surveyor, Gerald Eve, Chartered Surveyors, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. The remaining properties are valued by the Trustee in the year (using reference to an appropriate index).

Profit and loss on disposals are calculated as the difference between the sales proceeds and the market value at the beginning of the year (purchase date if later).

1.4 Income

Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable.

Property rentals and interest on short term deposits are recognised when they arise. Dividends and interest on investments are recognised when they become due and payable.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable.

1.6 Grants

Grants payable are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

1.7 Raising funds

The cost of raising funds consists of investment management fees.

1.8 Charitable activities

Costs of charitable activities comprises direct costs attributable to each activity which include grants made to third parties and directly attributable overhead and support costs, including governance costs, as shown in Note 3.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows;

School buildings and equipment: Depreciation is provided on all functional and residential property on a straight line basis over 50 years. No value is given to the land on which the School is built which is owned by the Foundation.

1.10 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits at call with banks and bank overdrafts.

1.12 Financial instruments

The Charitable Fund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The charity has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

1.13 Unrestricted funds

This fund benefits from the total return transferred for application.

1.14 Endowment Fund - General

The fund is invested as shown in note 8. In January 2014 the Trustee resolved to adopt a total return policy for the managed portfolio, having calculated the unapplied total return on that portfolio at that date of £1,054,240. All returns (both capital and income) on these investments subsequent to the resolution are credited to the Endowment Fund. The Trustee, in consultation with the Investment Committee, has decided to transfer 2.4% of the asset value to unrestricted funds for application, and this will be reviewed annually.

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

1.15 Endowment Fund - Capital Replacement Fund

The Capital Replacement Fund relates to a Charity Commission Order following the sale of Bidborough House. £2,000 per annum has to be invested to accumulate to £550,000. Income from this investment is reinvested in a term deposit.

2	Investment income	2022	2021
	Unrestricted funds	£	£
	Gross rental income on investment properties	491,486	419,747
	Income from other investments (incl. loan to Tonbridge School)	1,539,832	1,414,866
	Total unrestricted fund investment income	2,031,318	1,834,613
	Capital replacement fund investment income	-	-
	Total investment income	2,031,318	1,834,613

3	Expenditure	2022	2021
	The charitable activities undertaken by the charity can be broken down as follows:	£	£
	Advice and technical support to Tonbridge School (see below)	256,296	182,961
	Depreciation on School buildings (note 7)	613,980	613,980
	Grants Tonbridge School	1,592,816	1,595,899
	The Judd School, Tonbridge	29,780	29,714
	Tonbridge School visits and hospitality	4,133	100
	Scholarships at Tonbridge School	30,047	36,801
	Governor Training Grant	-	305
		2,527,052	2,459,760

	2022	2021
Advice and technical support to Tonbridge School	£	£
Insurance	29,317	23,259
Bank charges	-	60
Office costs	589	552
Audit	10,128	9,450
Legal fees	29,591	1,629
Travel	407	54
Meeting costs	6,460	5,632
Staff costs	160,604	124,085
Accommodation costs	19,200	18,240
Total	256,296	182,961

The amounts stated under unrestricted funds for office costs include certain costs amounting to £664 (2021 £452) incurred by a wholly owned subsidiary of the Skinners' Company in administering the affairs of the Foundation. The office accommodation charge was also payable to this subsidiary. At the balance sheet date an amount of £1,316 (2021 £2,049) was owed by the charity in respect of these charges. The share of salary costs shown does not exceed £60,000 in respect of any individual. The average headcount of employees in the year under the Paymaster scheme was 8.

The key management personnel of the charity are the Clerk to the Trustee and the Director of Finance of the Skinners' Company. The total cost of key management personnel, as recharged by The Skinners' Company is £78,254 (2021: £67,674).

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

4 Realised gains on investments

	2022 £	2021 £
Endowment funds		
Permanent endowment investments:		
Historic cost gain realised in year	4,239,194	1,227,466
(Gain) recognised in prior years	(3,832,838)	(839,216)
Gain/(loss) recognised in year		
Total Gain/(loss) recognised in year	406,356	388,250

5 Unrealised gains on investments

	2022 £	2021 £
Endowment funds		
<u>Investment properties</u>		
Valuation, 1 July 2021	26,029,144	20,939,144
Disposals	-	-
Valuation, 30 June 2022	26,029,144	26,029,144
Unrealised gain in year	-	5,090,000
Investments: Permanent Endowment:		
Cost, 30 June 2022	52,715,946	48,279,524
Market value, 30 June 2022	58,270,534	56,890,570
Unrealised gain in portfolio	5,554,588	8,611,046
Less recognised in prior years	(8,611,046)	(4,515,219)
Transferred to realised	3,832,838	839,216
Unrealised (loss) in year	776,380	4,935,043
Total	776,380	10,025,043

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

6 Total Return

	Endowment	Unapplied Total Return	Total
	£	£	£
Permanent endowment as at 1 st July 2020	91,628,611	4,862,354	96,490,965
Movements in the reporting period			
Add: Investment returns dividends and interest	120,000	549,889	669,889
Investment returns realised gains and (losses)	-	388,250	388,250
Investment returns unrealised gains and (losses)	4,550,876	5,474,167	10,025,043
Investment management cost	-	(44,922)	(44,922)
Depreciation	(613,980)	-	(613,980)
Total	4,056,896	6,367,384	10,424,280
Less: Unapplied total return applied	-	(719,000)	(719,000)
Net movement in reporting period	4,056,896	5,648,384	9,705,280
Permanent endowment as at 30 June 2021	95,685,507	10,510,738	106,196,245
Movements in the reporting period			
Add: Investment returns dividends and interest	56,000	689,869	745,869
Investment returns realised gains and (losses)	-	406,356	406,356
Investment returns unrealised gains and (losses)	3,538,087	(2,761,707)	776,380
Investment management cost	-	(36,142)	(36,142)
Depreciation	(613,980)	-	(613,980)
Total	2,980,107	(1,701,624)	1,278,483
Less: Unapplied total return applied	-	(869,000)	(869,000)
Net movement in reporting period	2,980,107	(2,570,624)	409,483
Permanent endowment as at 30 June 2022	98,665,614	7,940,114	106,605,728

7 School buildings and equipment

	2022 £	2021 £
Cost		
1 July 2021	30,698,977	30,698,977
Additions	-	-
30 June 2022	30,698,977	30,698,977
Depreciation		
1 July 2021	13,852,605	13,238,625
Charge for the period	613,980	613,980
30 June 2022	14,466,585	13,852,605
Net book value		
30 June 2022	16,232,392	16,846,372
30 June 2021	16,846,372	17,460,352

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

8 Investments

	2022 £	2021 £
At market value		
30 June 2021	56,890,571	49,241,871
Purchases and cash added	21,171,248	14,125,490
Sales	(20,567,664)	(11,411,833)
Unrealised gain	776,380	4,935,043
30 June 2022	58,270,535	56,890,571
Permanent Endowment	58,270,535	56,890,571
Capital Replacement Fund	-	-
	58,270,535	56,890,571
Invested in		
UK listed investments	3,905,137	6,426,437
Non UK listed investment	20,584,779	22,432,768
Collective investment schemes - Investing in the UK	23,725,510	23,594,846
Collective investment schemes - Investing overseas	7,631,649	3,245,734
Cash	2,423,460	1,190,786
Market value 30 June 2022	58,270,535	56,890,571

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

8 Investments (continued)

The Charity held six material investments as at 30 June 2022.

These were:

Investment	Market value £	% Permanent endowment
Schroder UK Property Fund	4,714,719	8.09
Rockspring Property Trust	6,065,280	10.41
Charities Property Fund	5,733,843	9.84
Property Income Trust for Charities	4,758,401	8.17
CCLA COIF Investment Fund	9,386,169	16.11
Sarasin Climate Active	8,912,385	15.29

9 Investment properties

	2022 £	2021 £
Held at 30 June 2021, at valuation	26,029,144	20,939,144
Disposals	-	-
Increase arising on revaluation	-	5,090,000
Held at 30 June 2022, at valuation	26,029,144	26,029,144

10 Program related investment

This comprises a loan to Tonbridge School of £8m repayable in instalments commencing 2023-24 attracting interest at CPI.

11 Debtors

	2022 £	2021 £
Falling due within one year		
Prepayments	285	68
Accrued income	314,364	373,674
	314,649	373,742

12 Creditors

	2022 £	2021 £
Due within one year		
Trade creditors	7,205	52,925
Tonbridge School: other grants	8,375	10,836
Accruals	10,128	9,450
Deferred income	200,798	188,463
	226,506	261,674

Due after more than one year

The loan of £1,500,000 is from the H S Vere Hodge Charity, interest free and with no fixed date of repayment and was made for charitable purposes. This charity was established by the will of Mr H S Vere Hodge (for 44 years a master at Tonbridge School) who died in 1958, leaving property to the Skinners' Company for such charitable objects as the Company might from time to time select.

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

13 Trustee's expenses

Expenses and other charges paid to the Skinners' Company or its subsidiaries are shown in Note 3. No remuneration was paid to the Trustee.

14 Taxation

The Sir Andrew Judd Foundation is a registered charity and its income is not liable to direct taxation as it is wholly applied to charitable purposes.

15 Analysis of net assets between funds

	Unrestricted Funds	Endowment funds		
		Capital Replacement fund	Permanent endowment	Total
2021				
School buildings and equipment	-	-	16,846,372	16,846,372
Investments	-	-	56,890,571	56,890,571
Investment properties	-	-	26,029,144	20,939,144
Program related investments	-	-	10,000,000	10,000,000
Total fixed assets	-	-	109,766,087	109,766,087
Net current assets	1,103,137	489,413	(76,842)	4,018,436
Creditors due after more than one year	-	-	(3,500,000)	(3,500,000)
Balances as at 30th June 2021	1,103,137	489,413	106,189,245	110,284,523
2022				
School buildings and equipment	-	-	16,232,394	16,232,394
Investments	-	-	58,270,535	56,270,535
Investment properties	-	-	26,029,144	26,029,144
Program related investments	-	-	8,000,000	8,000,000
Total fixed assets	-	-	108,532,073	108,532,073
Net current assets	1,264,455	491,413	(426,345)	1,329,523
Creditors due after more than one year	-	-	(1,500,000)	(1,500,000)
Balances as at 30th June 2022	1,264,455	491,413	106,605,728	108,361,596

Included within the funds above are revaluation reserves with the following values:

		Capital Replacement fund	Permanent endowment	Total
2021				
Quoted securities	-	-	8,611,046	8,611,046
Freehold land and buildings	-	-	13,997,289	13,997,289
As at 30th June 2021	-	-	22,608,335	22,508,335
2022				
Quoted securities	-	-	5,554,588	5,554,588
Freehold land and buildings	-	-	13,997,289	13,997,289
As at 30th June 2022	-	-	19,551,877	19,551,877

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

16 Related party transactions

Transactions in respect of staff costs recharged by a company wholly owned by the Trustee are detailed in note 3.

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income for the reporting period (as per SOFA)	579,801	4,531,992
Adjustments for:		
Depreciation charges	613,980	613,980
Losses on investments	(776,380)	(4,935,043)
Dividends, interest and rents from investments	(1,991,177)	(1,834,613)
(Increase)/decrease in debtors	59,093	39,527
Increase in creditors	(35,168)	(368,444)
Net cash (used in) operating activities	<u>(1,549,851)</u>	<u>(1,952,601)</u>

18 Analysis of changes in net debt

	At 1.7.20	Cash flow	At 30.6.21	Cash flow	At 30.6.22
Cash	1,975,755	(572,115)	1,403,640	(162,260)	1,241,380
Loans falling due within 1 year	-	-	-	-	-
Loans falling due after more than 1 year	10,000,000	-	10,000,000	(2,000,000)	8,000,000
Bonds	(2,000,000)	-	(2,000,000)	2,000,000	-
Long term loan Vere Hodge Charity	(1,500,000)	-	(1,500,000)	-	(1,500,000)
Total	8,475,755	(572,115)	7,903,640	162,260	7,741,380

THE SIR ANDREW JUDD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2022

19. Comparative information

	Notes	Unrestricted Funds £	Endowment Funds			Total 2021 £	Total 2020 £
			Capital Replacement Fund £	Permanent Endowment £			
Income from:							
Investments	2	1,164,375	-	669,889	1,834,264	2,099,109	
Bank interest		349	-	-	349	5,202	
Donations		-	-	-	-	-	
Total income		<u>1,164,724</u>	<u>-</u>	<u>669,889</u>	<u>1,834,613</u>	<u>2,104,311</u>	
Expenditure on:							
Raising funds - investment management costs		41,084	-	44,922	86,006	183,534	
- investment property costs		50,148	-	-	50,148	73,146	
- gross interest on bonds		30,000	-	-	30,000	30,000	
Charitable Activities	3	1,845,780	-	613,980	2,459,760	2,488,141	
Total expenditure		<u>1,967,012</u>	<u>-</u>	<u>658,902</u>	<u>2,625,914</u>	<u>2,774,821</u>	
Realised gain/(loss) on investments	4	-	-	388,250	388,250	(718,368)	
Unrealised (loss) on investments	5	-	-	10,025,043	10,025,043	(1,001,166)	
Net (expenditure)/income		<u>(802,288)</u>	<u>-</u>	<u>10,424,280</u>	<u>9,621,992</u>	<u>(2,390,044)</u>	
Transfers between funds							
Transfer from total return for application	6	719,000	-	(719,000)	-	-	
Annual appropriation to the Capital Replacement Fund		(2,000)	2,000	-	-	-	
Net movement in funds for the period		<u>(85,288)</u>	<u>2,000</u>	<u>9,705,280</u>	<u>9,621,992</u>	<u>(2,390,044)</u>	
Balances brought forward 1 July 2020		<u>1,181,425</u>	<u>487,413</u>	<u>96,490,965</u>	<u>98,159,803</u>	<u>100,549,847</u>	
Balances carried forward 30 June 2021		<u>1,096,137</u>	<u>489,413</u>	<u>106,196,245</u>	<u>107,781,795</u>	<u>98,159,803</u>	