

Committee	Date:	Item no.
Board of Governors of the City of London Freemen's School	27 September 2018	
Subject: Draft Annual Report and Financial Statements for the year ended 31 March 2018 for the Charities Administered in Connection with The City of London Freemen's School	Public	
Report of: The Chamberlain	For Decision	
Report author: Steven Reynolds, Chamberlain's Department		
<div>1. This report provides Governors with a copy of the draft Annual Report and Financial Statements for the Charities Administered in connection with The City of London Freemen's School (charity number: 312120) for the year ended 31 March 2018, and an opportunity to consider whether part of the cash balance should be invested in the City of London Charities Pool.</div> <div>2. During the year ended 31 March 2018 total funds increased by £6,407 (2016/17: total funds increased by £23,497) to £198,375 (2016/17: £191,968). This movement comprised the following:-<ul style="list-style-type: none">• a net gain on investments of £1,385 (2016/17: a net gain of £18,382);• investment income of £6,163 (2016/17: £6,229);• voluntary income of £6,120 (2016/17: voluntary income of £6,040); and• expenditure of £7,261 (2016/17: £7,154) relating to 234 book prizes (2016/17: 230 book prizes).</div> <div>3. The charity's available cash balance at 31 March 2018 was £12,387 (2016/17: £19,434).</div> <div>4. This report asks Governors to consider whether it wishes to make a further investment in the Charities Pool. Investment in the Charities Pool provide an opportunity to earn potentially higher returns than interest on cash balances (0.521% for 2017/18 and estimated to be 0.75% for 2018/19).</div>		

5. Expenditure from this charity over the previous three years is shown in the table below, an average of £7,313 per annum.

	2017/18	2016/17	2015/16
	£	£	£
Income	12,283	12,269	11,547
Expenditure	(7,261)	(7,154)	(7,525)
Net income/(expenditure)	5,022	5,115	4,022
Cash balance 31 March	12,387	19,434	29,318
Purchase of Charities Pool units	-	(6,860)	(14,999)
Remaining cash balance	12,387	12,574	14,319

6. It is recommended that sufficient cash is retained by the charity to cover a year's worth of expenditure. Therefore, based on the available cash as at 1 April 2018 of £12,387, less the average expenditure over the past three years of £7,313 it is recommended that a further investment of £5,074 in the Charities Pool is made at the next available opportunity (1 October 2018).
7. The next review of the available cash balance will be presented to this Board in September 2019, in time to meet the 1 October deadline for investment or dis-investment in the Pool, should this be required.

Recommendations

8. It is recommended that Governors:
- receive the draft 2017/18 Annual Report and Financial Statements for the Charities Administered in Connection with The City of London Freeman's School (charity number: 312120); and
 - endorse that cash of £5,074 be invested in the Charities Pool on 1 October 2018.

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