

***CHARITIES ADMINISTERED IN CONNECTION WITH (ICW)
THE CITY OF LONDON FREEMEN'S SCHOOL***

***REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018***

Charity Number: 312120

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

**Trustee's Annual Report and Financial Statements for the year ended 31
March 2018**

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CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL

Trustee's Annual Report for the year ended 31 March 2018

1. Reference and Administration Details

Charity Name	Charities Administered ICW the City of London Freemen's School
Registered Charity Number:	312120
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City Of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The Charity Commission for England and Wales made an Order on 30 November 2011 which appointed the City of London Corporation as trustee of the charitable funds governed by this charity. The Schedule attached to the Order details the constituent charitable funds of the Charities Administered ICW the City of London Freemen's School. The Funds are registered under the same name for administrative purposes.

Trustee

The body corporate known as The City of London Corporation is the Trustee of Charities Administered in connection with (ICW) the City of London Freemen's School, acting through the Board of Governors of The City of London Freemen's School.

Policies and Procedures for the Induction and Training of Trustees

The City of London Corporation makes such seminars and briefings available to its Members as it considers are necessary to enable the Members to efficiently carry out their duties. Such events relate to various aspects of the City's activities, including those concerning Charities Administered ICW the City of London Freemen's School.

CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The charity is administered in accordance with the City of London Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations of the City of London Corporation. These governance documents are available from the Town Clerk of the City of London Corporation at the principal address.

Each elected Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the exercise of its duties as Trustee of the charity by faithfully acting in accordance with the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above.

Related Parties

Details of any related party transactions are disclosed in note 10 to the Financial Statements.

Risk identification

The Trustee is committed to a programme of risk management as an element of the Trustee's strategy to preserve the charity's assets, enhance productivity for service users and members of the public.

In order to embed sound practice a Risk Management Group of employed officers has been established by the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to elected Members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation in the exercise of all its functions, including when acting as charity trustee.

Consequently, a key risk register has been prepared for this charity and has been reviewed by the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

3. Objectives and Activities for the Public Benefit

The funds are used to provide prizes in various subjects. The funds may also be used to assist children to study various subjects at school and to aid school pupils who have gone on to University.

The Trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL

Trustee's Annual Report (continued)

4. Achievements and Performance

The school awarded 234 book prizes during the year (2016/17: 230).

5. Financial Review

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:-

- i) a net gain on investments of £1,385 (2016/17: net gain of £18,382);
- ii) income of £12,283 (2016/17: £12,269) which comprised investment income of £6,163 (2016/17: £6,229) voluntary income of £6,120 (2016/17: £6,040); and
- iii) expenditure of £7,261 (2016/17: £7,154) relating to 234 book prizes (2016/17: 230 book prizes).

Going Concern

The Trustee considers the Charity to be a going concern for the foreseeable future as detailed in the Accounting Policies note 1(b).

Reserves Policy

The Reserves Policy is to maintain the capital base of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income in accordance with the objectives of the charity.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. The investment policy of the Charities Pool is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool are available from the Chamberlain of London.

6. Plans for Future Periods

The on-going targets are to continue to provide for prizes in various subjects, to continue to provide sums to assist children to study various subjects at the school and to assist in further education.

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with 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 from 1 January 2015 and the Charities Act 2011.

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; and
- 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 the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee 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.

8. Adopted and signed for on behalf of the Trustee on 13 November 2018

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee
Guildhall, London

Jamie Ingham
Deputy Chairman of
Finance Committee

Independent Auditor's Report to the Trustees of The Charities Administered In Connection With The City of London Freeman's School

Opinion

We have audited the financial statements of The Charities Administered In Connection With The City of London Freeman's School (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet 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 FRS 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 2018 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are 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.

Independent Auditor's Report to the Trustees of The Charities Administered In Connection With The City of London Freemen's School (continued)

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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

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.

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

Independent Auditor's Report to the Trustees of The Charities Administered In Connection With The City of London Freemen's School (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street

London

EC1A 4AB

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

Date:

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Statement of Financial Activities for the year ended 31 March 2018

	Note	Restricted Fund £	Endowment Fund £	Total Funds 2017/18 £	Total Funds 2016/17 £
Income and endowments from:					
Donations and legacies		6,120	-	6,120	6,040
Income from investments					
Managed investment income		6,012	116	6,128	6,126
Interest receivable		35	-	35	103
Total income and endowments	3	<u>12,167</u>	<u>116</u>	12,283	<u>12,269</u>
Expenditure on:					
Charitable activities					
Prizes awarded		<u>7,261</u>	-	7,261	<u>7,154</u>
Total expenditure	4	<u>7,261</u>	-	7,261	<u>7,154</u>
Net gains/(losses) on investments	7	1,353	32	1,385	18,382
Net income/(expenditure)		<u>6,259</u>	<u>148</u>	6,407	<u>23,497</u>
Transfers between funds		116	(116)	-	-
Other recognised gains/(losses)		-	-	-	-
Net movement in funds		<u>6,375</u>	<u>32</u>	6,407	<u>23,497</u>
Reconciliation of funds					
Total funds brought forward	9	<u>178,471</u>	<u>13,497</u>	191,968	<u>168,471</u>
Total funds carried forward	9	<u>184,846</u>	<u>13,529</u>	198,375	<u>191,968</u>

There are no recognised gains or losses other than as shown in the statement of financial activities above.

All incoming resources and resources expended derive from continuing activities.

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed Assets			
Managed Investments – 21,135 Charities Pool Units	7	185,988	172,534
Current Assets			
Cash at bank and in hand		12,387	19,434
Total Assets	8	<u>198,375</u>	<u>191,968</u>
The funds of the charity:			
Restricted Fund		184,846	178,471
Endowment Fund		13,529	13,497
Total funds	9	<u>198,375</u>	<u>191,968</u>

Approved and signed for and on behalf of the Trustee

The notes at pages 11 to 16 form part of these accounts.

Dr Peter Kane
Chamberlain of London
13 November 2018

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies

The following accounting policies have been applied consistently throughout the year and in the preceding year in dealing with items which are considered material in relation to the charity's financial statements.

(a) *Basis of Preparation*

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

(b) *Going Concern*

The Trust is considered a going concern for the foreseeable future as the Trustee has due regard to maintaining the capital base and only donations and investment income are generally used in furtherance of the objectives of the Trust. Part of the Charity's income is from investments in the Charities Pool administered by the City of London Corporation. The Pool's investment policy is set out in Section 5 of the Annual Report.

(c) *Cash Flow Statement*

The Trust has taken advantage of the exemption in FRS102 from the requirement to produce a statement of cash flows on the grounds that it is a small entity.

(d) *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 amount of income receivable can be measured reliably.

(e) *Investment Income*

Investment income consists of distributions from the Charities Pool and interest receivable on cash balances. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies (continued)

(f) ***Expenditure Recognition***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(g) ***Investments***

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The unrealised loss on investments at the balance sheet date is included in the Trust's funds.

(h) ***Fund Accounting***

The funds of the charity consist of a permanent endowment fund that holds the original endowment of the charity, which is invested and shown at market value, and a restricted fund that contains any undistributed annual income carried forward for use in future years.

2. Tax Status of the Charity

As a registered charity income and gains are exempt from income tax to the extent that they are applied to charitable purposes.

3. Incoming Resources

Incoming resources are analysed as follows:

	2017/18	2016/17
	£	£
Voluntary Income		
Donations	6,120	6,040
Investment Income		
Managed Investment Income	6,128	6,126
Interest Receivable	35	103
Total Incoming Resources	12,283	12,269

Investment Income

Consists of income derived from the investments in the City of London Corporation's Charities Pool noted in 1(e) and interest received on cash balances which amounted to £6,163 (2016/17: £6,229).

**CHARITIES ADMINISTERED ICW
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Notes to the Financial Statements for the year ended 31 March 2018

4. Resources Expended

Resources expended are analysed as follows:-

	2017/18	2016/17
	£	£
Charitable Activities		
Prizes Awarded	7,261	7,154
Total Resources Expended	7,261	7,154

Charitable activities

Charitable activities consist of 234 book prizes awarded to individuals amounting to £7,261 (2016/17: 230 book prizes amounting to £7,154).

5. Support and Governance Costs

Staff numbers and costs

The charity does not employ any staff. Officers of the City of London Corporation provide administrative assistance to the charity when required, but this is not considered material and is not separately calculated by the City of London Corporation. It is consequently not possible to quantify this assistance in the Statement of Financial Activities.

Auditor's remuneration and fees for external financial services

The City of London's external auditor audits this charity as one of the numerous charities administered by the City of London Corporation. The City of London Corporation does not attempt to apportion the audit fee between all the different charities but prefers to treat it as part of the cost to its private funds. No other external financial services were provided for the Trust during the year or in the previous year.

6. Other Items of Expenditure

Trustees' expenses

Members of the City of London Corporation acting on behalf of the Trustee received no remuneration or reimbursement of expenses during the current or previous year.

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Notes to the Financial Statements for the year ended 31 March 2017

7. Investment assets

The value and cost of investments are comprised as follows:

	Restricted Fund	Endowment Fund	Total 2018	Total 2017
	£	£	£	£
Market Value 1 April	169,037	3,497	172,534	139,153
Purchase of Charities Pool Units (1)	12,069	-	12,069	14,999
Net investment gains	1,353	32	1,385	18,382
Market value 31 March	182,459	3,529	185,988	172,534
Cost when purchased	110,334	5,133	115,467	103,398
Units in Charities Pool (Units)	20,734	401	21,135	19,786

(1) The Board of Governors of the City of London Freeman's School agreed at their meetings on 2 February 2017 and 25 September 2017 to invest cash of £6,860 and £5,199 respectively. Accordingly, a total of 787 units were purchased at £8.73 per unit on 1 April 2017 and 562 units were purchased at £9.25 per unit on 1 October 2017.

The geographical spread of listed investments at 31 March was as follows:

	2018 £	2017 £
Equities:		
UK	145,145	134,322
Overseas	22,796	24,272
Bonds: UK	1,202	948
Pooled Units: UK	12,630	8,549
Cash Held By Fund Manager	4,215	4,443
Total Funds	185,988	172,534

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and interest is received from the Chamberlain of London on cash balances held on behalf of the Trust. The investments are managed by Artemis Investment Management Limited and the performance of the fund is measured against the Fund manager benchmark (FTSE All Share Index).

As at 31 March 2018 the Fund achieved a return of +4.28% compared to the FTSE All Share Index return of +1.25%, an out-performance of 3.03%. Over three and five years the Fund has outperformed the index as follows:

	3 Years	5 Years
Fund	5.97%	7.96%
FTSE All Share	5.86%	6.59%
Out performance	0.11%	1.37%

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Notes to the Financial Statements for the year ended 31 March 2018

8. Analysis of net assets by fund at 31 March 2018

	Restricted Fund	Endowment Fund	Total 2018	Total 2017
	£	£	£	£
Fixed Assets				
Investments	182,459	3,529	185,988	172,534
Total Fixed Assets	182,459	3,529	185,988	172,534
Current Assets	2,387	10,000	12,387	19,434
Total Net Assets	184,846	13,529	198,375	191,968

9. Summary of Funds and Movements during the year to 31 March 2018

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Restricted Fund	178,471	12,167	(7,261)	116	1,353	184,846
Endowment Fund:						
Permanent	13,497	116	-	(116)	32	13,529
Total Funds	191,968	12,283	(7,261)	-	1,385	198,375

Notes to the funds:

Restricted Fund

The purpose of this fund is to award prizes in various subjects, with any surplus income carried forward to be used in subsequent years. Awards are funded by donations and any investment income generated from The City of London Charities Pool.

Endowment Fund - Permanent

This fund maintains the capital base of the charity, including the recognition of any gains or losses on revaluation of the investments at their current market value. Income from investments is shown against the fund and then transferred to the restricted fund.

**CHARITIES ADMINISTERED ICW
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Notes to the Financial Statements for the year ended 31 March 2018

10. Details of related parties and wider networks

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. With the exception of the City of London Charities Pool, these Trusts do not undertake transactions with the Charities Administered ICW the City of London Freeman's School. A full list of these Trusts is available on application to the Chamberlain of London.

The Trust has investments in the City of London Charities Pool. Investment income from the Charities Pool in 2017/18 amounted to £6,128 (2016/17: £6,126).