

***CITY OF LONDON FREEMEN'S SCHOOL
BURSARY FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013***

Charity Number: 284769

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report and Financial Statements for the year ended 31 March 2013

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CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report for the year ended to 31 March 2013

1. Reference and Administration Details

Charity Name	City of London Freeman's School Bursary Fund
Registered Charity Number:	284769
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:	Deloitte LLP Chartered Accountants and Statutory Auditor 3 Victoria Square Victoria Street St Albans AL1 3TF

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The administration of the City of London Freeman's School Bursary Fund is set out in the governing Scheme approved by The Charity Commission for England and Wales on 1 December 2011. This Scheme replaces the previous governing document dated 30 April 1982 and its supplementary deeds of 25 August 1993 and 29 April 1997.

Trustee selection methods

Individuals act as Trustee by virtue of positions that they hold in the City of London Corporation in accordance with the governing document. They act as Trustees during their tenure of these positions.

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 City of London Freeman's School Bursary Fund.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The charity is administered under the governance rules applying to the City of London Corporation and its governance and administration is in accordance with the Standing Orders and Financial Regulations of the City of London Corporation. These regulations are available from the Town Clerk of the City of London at the principal address.

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 strategy to preserve the charity's assets, enhance productivity for service users and members of the public and protect its employees.

In order to embed sound practice a Risk Management Group has been established in 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 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.

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 City of London Freeman's School Bursary Fund was established in April 1982. The original funds are invested and distributed by the Trustee.

The object of the Charity is the promotion of education (including physical training) by the provision of bursaries and other forms of financial assistance for fees and/or other costs incurred through attendance at the School to enable pupils to further their education at the School by for example providing financial assistance to those who would not be able to enter the School having been accepted, or having commenced education at the School would not be able to continue their education at the School. Income can also be used for such other charitable purposes as shall be associated with the school, as the Trustee shall direct.

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

4. Achievements and Performance

Key Targets for 2012/13 and review of achievement

The target for 2012/13 was to continue to contribute towards fees of pupils where financial hardship would cause the pupil to be unable to enter or continue at the School. No bursaries were awarded during the year following the assessment of one bursary application (2011/12: one bursary awarded – following the assessment of four bursary applications).

5. Financial Review

During the year ended 31 March 2013 total funds increased by £74,237 (2011/12: total funds increased by £314,216) to £676,595 (2011/12: £602,358). This movement comprised the following:-

- i) a net gain on investments of £55,669 (2011/12: a net gain of £13,504). The increase in the market value of the investments held in the Charities Pool reflects the general recovery in the UK and overseas stock markets, together with some relative outperformance achieved by the Fund Manager which was mainly due to favourable asset allocation within the portfolio. The investments are managed by Artemis Investment Management Limited and in the year ended 31 December 2012 achieved a total return of 13.3%, which was a relative outperformance of 1.4% compared to its benchmark, the WM Unconstrained Charity Universe;
- ii) investment income of £18,769 (2011/12: £12,995);
- iii) expenditure of £224 on bursary administration costs - no bursary awards were made during the year (2011/12: bursary administration costs of £897 and one bursary award of £7,497); and
- iv) voluntary income of £23 (2011/12: £100,000 - the Board of Governors of the City of London Freeman's School at their meeting on 2 December 2011 agreed a transfer of £100,000 from the City of London Freeman's School revenue account to the City of London Freeman's School Bursary Fund to ensure sufficient resources for the provision of bursaries).

During the previous year the Charity Commission approved the transfer of five scholarship and prize funds totalling £196,111 from the Charities Administered ICW the City of London Freeman's School to the Bursary Fund. This transfer, together with the £100,000 referred to in iv) above, are the main reasons why the increase in funds was significantly higher in 2011/12 than in 2012/13.

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).

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

5. Financial Review (continued)

Reserves Policy

The Reserves Policy is to maintain the expendable endowment of the charity in investments in the Charities Pool administered by the City of London Corporation and to 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 key target for 2013/14 is to continue to contribute towards the fees payable to the School of pupils, who, but for financial assistance, would not be able to continue at or enter the School.

7. The Financial Statements

These consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all incoming resources and all expenditure incurred and reconciling all changes in funds of the Trust.
- **Balance Sheet** setting out the assets and liabilities of the Trust.
- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)*.

8. Statement of 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

8. Statement of Trustee's Responsibilities (continued)

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 enables the Trustee 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. 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.

9. Adopted and signed for on behalf of the Trustee on 23 July 2013.

R.A.H. Chadwick
Chairman of Finance Committee
Guildhall, London

Raymond Michael Catt
Deputy Chairman of
Finance Committee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

We have audited the financial statements of The City of London Freemen's School Bursary Fund for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustee in accordance with section 145 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 Trustee those matters we are required to state to the Trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON
FREEMEN'S SCHOOL BURSARY FUND (CONTINUED)**

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 Trustee's 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, UK

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

24 June 2023

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Statement of Financial Activities for the year ended 31 March 2013

	Notes	Endowment Fund £	Total 2012/13 £	Total 2011/12 £
Incoming resources				
Incoming resources from generated funds				
Transfer of funds from Charities Administered ICW the City of London Freeman's School		-	-	196,111
Voluntary income		23	23	100,000
Investment income				
Managed investment income		14,598	14,598	11,974
Interest receivable		4,171	4,171	1,021
Total incoming resources	3	<u>18,792</u>	<u>18,792</u>	<u>309,106</u>
Resources expended				
Charitable activities				
Bursaries awarded	4	-	-	7,497
Bursary administration	4 & 5	224	224	897
Total resources expended	4	<u>224</u>	<u>224</u>	<u>8,394</u>
Net incoming resources before other recognised gains		18,568	18,568	300,712
Other recognised gains				
Net gain on revaluation	7	55,669	55,669	13,504
Net movement in funds		74,237	74,237	314,216
Reconciliation of funds				
Total funds brought forward	9	602,358	602,358	288,142
Total funds carried forward	9	<u>676,595</u>	<u>676,595</u>	<u>602,358</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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Balance Sheet as at 31 March 2013

	Notes	2013 £	2012 £
Fixed Assets			
Managed Investments	7	<u>447,205</u>	<u>391,536</u>
Current Assets			
Cash at bank and in hand		229,390	213,321
Creditors: amounts falling due within one year		<u>-</u>	<u>(2,499)</u>
Net Current Assets		229,390	210,822
Total Assets less Current Liabilities	8	<u>676,595</u>	<u>602,358</u>
The funds of the charity:			
Endowment fund	9	<u>676,595</u>	<u>602,358</u>
Total funds		<u>676,595</u>	<u>602,358</u>

Approved and signed for and on behalf of the Trustee

The notes at pages 11 to 15 form part of these accounts.

CBilsland

Chris Bilsland
Chamberlain of London
23rd July 2013

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Notes to the Financial Statements for the year ended 31 March 2013

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 in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)* and under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with applicable United Kingdom accounting standards and the Charities Act 2011.

(b) *Going Concern*

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

(c) *Managed 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 gain on investments at the balance sheet date is included in the charity's funds.

(d) *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.

(e) *Bursaries Awarded*

Bursaries are accounted for when the recipient has a reasonable expectation that they will receive the bursary and where any conditions attached to the bursary are outside the control of the Fund.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Notes to the Financial Statements for the year ended 31 March 2013

1. Accounting Policies (continued)

(f) *Fund accounting*

The funds of the charity consist of an Endowment Fund which is expendable.

(g) *Cash Flow Statement*

The Fund has taken advantage of the exemption in Financial Reporting Standard 1 (Revised) from the requirement to produce a cash flow statement on the grounds that it is a small entity.

2. Tax Status of the Charity

City of London Freemen's School Bursary Fund is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

3. Incoming Resources

Incoming resources are analysed as follows:

	2012/13	2011/12
Transfer from Charities Administered ICW the City of London Freemen's School	-	196,111
Voluntary Income		
Donations	23	100,000
Investment Income		
Managed investment income	14,598	11,974
Interest received	4,171	1,021
Total Incoming Resources	18,792	309,106

Transfer of Charity Funds:

This charity's scheme, which became effective from 1 December 2011, approved the transfer of the assets of five scholarships and prize funds amounting to £196,111 from the Charities Administered ICW the City of London Freemen's School (formerly known as the City of London Freemen's School Scholarships and Prize Funds) (charity number: 312120) to the City of London Freemen's School Bursary Fund (charity number: 284769).

Voluntary Income:

Donations amounting to £23 were received during the year (2011/12: £100,000 - The Board of Governors of the City of London Freemen's School at their meeting on 2 December 2011 agreed a transfer of £100,000 from the City of London Freemen's School revenue account to the City of London Freemen's Bursary Fund to ensure sufficient resources for the provision of bursaries).

Investment Income:

Consists of income derived from the investments in the City of London Corporation's Charities Pool noted in 1(d) and interest received on cash balances which amounted to £18,769 (2011/12: £12,995).

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Notes to the Financial Statements for the year ended 31 March 2013

4. Resources Expended

Resources expended are analysed as follows:

	2012/13	2011/12
	£	£
Charitable Activities		
Bursaries Awarded	-	7,497
Bursary Administration	224	897
Total Resources Expended	224	8,394

Charitable activities

No bursary awards were made during the year (2011/12: one bursary award amounting to £7,497). Included in the charitable activities are bursary administration costs. Refer to note 5 below for details of these.

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. However, some administration services concerned with Bursary Administration are directly charged to the charity. Such costs charged to the fund in 2012/13 amounted to £224 (2011/12: £897).

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 Fund during the year or in the previous year.

6. Other Items of Expenditure

Trustee 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Notes to the Financial Statements for the year ended 31 March 2013

7. Investment Assets

The value and cost of investments is comprised as follows:

	Endowment Fund	
	2013	2012
	£	£
Market Value 1 April	391,536	268,299
Transfer of assets from Charities Administered ICW the City of London Freemen's School (see Note 3)	-	109,733
Net investment gains on revaluation	55,669	13,504
Market value 31 March	447,205	391,536
Cost when purchased	280,369	280,369
Units in Charities Pool (Units)	61,854	61,854

The increase in the market value of the investments held in the Charities Pool reflects the general recovery in the UK and overseas stock markets, together with some relative outperformance achieved by the Fund Manager which was mainly due to favourable asset allocation within the portfolio.

8. Analysis of Net Assets by Fund at 31 March 2013

	Endowment Fund	Total 2013	Total 2012
	£	£	£
Fixed Assets			
Investments	447,205	447,205	391,536
Total Fixed Assets	447,205	447,205	391,536
Current Assets	229,390	229,390	210,822
Total Net Assets	676,595	676,595	602,358

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Notes to the Financial Statements for the year ended 31 March 2013

9. Movement of Funds during the year to 31 March 2013

	Balance at 1 April 2012	Net Incoming Resources	Net gains on revaluation	Balance at 31 March 2013
	£	£	£	£
Endowment Fund:				
Expendable	602,358	18,568	55,669	676,595
Total Funds	602,358	18,568	55,669	676,595

Notes to the funds

Endowment Fund

This comprises funds donated to the charity, which are invested in the Charities Pool and investment income. Awards are charged to the fund each year and surplus income is carried forward to be used in subsequent years.

10. Details of related parties and wider networks

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 concerning related party transactions.

The City of London Corporation is also the Trustee of a number of other Charitable Funds. With the exception of the City of London Charities Pool, these Funds do not undertake transactions with the City of London Freeman's School Bursary Fund. A full list of these Funds is available on application to the Chamberlain of London. The Fund has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee.