

<b>Committees:</b>	<b>Dates:</b>	<b>Item no.</b>
Audit and Risk Management Committee	10 October 2017	
Finance Committee	21 November 2017	
<b>Subject:</b> City's Cash Trust Funds and Sundry Trust Funds Annual Reports and Financial Statements 2016/17		<b>Public</b>
<b>Report of:</b> The Chamberlain		<b>For Decision</b>
<b>Report Author:</b> Philip Gregory, Deputy Financial Services Director		
<div><b><u>Summary</u></b></div> <p>This report seeks approval for:</p> <ul style="list-style-type: none"><li>the Annual Reports and Financial Statements for the City's Cash Trust Funds (not City's Cash itself which will be covered under a separate report) for the year ended 31 March 2016, these are listed at Annex 1 and have been placed in the Members' Reading Room; and</li><li>the Annual Reports and Financial Statements for the Sundry Trust Funds for the year ended 31 March 2016, these are listed at Annex 2 and have also been placed in the Members' Reading Room.</li></ul> <p>Moore Stephens LLP is intending to issue an unqualified audit opinion and their report, including recommendations, is attached at Annex 3. No accounting changes have been identified from the audit.</p> <p>The financial statements of City's Cash Trust Funds and the Sundry Trusts for the year ended 31 March 2017 have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) in accordance with the Financial Reporting Standard 102 (FRS 102).</p> <p>The City's Cash Trust Funds held total funds of £61.6m as at 31 March 2017, an increase of £10.1m (19.6%) from a year earlier (<i>paragraphs 5 to 8</i>).</p> <p>The Sundry Trust Funds held total funds of £56.6m as at 31 March 2017, an increase of £6.2m (12.3%) from a year earlier (<i>paragraph 9</i>).</p>		

### **Recommendations**

The Audit and Risk Management Committee is requested to:

- consider the contents of Moore Stephens LLP Management Letter; and
- recommend approval of the Annual Reports and Financial Statements for City's Cash Trust Funds and the Sundry Trust Funds for the year ended 31 March 2017 to the Finance Committee.

The Finance Committee is requested to:

- consider the contents of Moore Stephens LLP Management Letter;
- approve the Annual Reports and Financial Statements for City's Cash Trust Funds and the Sundry Trust Funds taking account of any observations from the Audit and Risk Management Committee; and
- agree that the Annual Reports and Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

## **Main Report**

### **Introduction**

1. The 2016/17 Annual Report and Financial Statements for City's Cash Trust Funds (not City's Cash itself which will be covered under a separate report) and the Sundry Trust Funds have been placed in the Members' Reading Room and are listed at Annexes 1 and 2 respectively.
2. The external auditor, Moore Stephens LLP intends to give an unqualified opinion on the Annual Reports and Financial Statements of City's Cash Trust Funds and the Sundry Trust Funds and has issued the Audit Management Report set out in Annex 3. The Audit Management Report will be distributed to all Members of the Court of Common Council for information. Representatives from Moore Stephens LLP will be in attendance at the Audit and Risk Management Committee to present their report and to clarify any points or issues.
3. The report from Moore Stephens LLP includes recommendations in sections 6 and 7, with section 6 containing recommendations made in 2016/17 and section 7 showing the recommendations made in the prior year 2015/16. All prior year recommendations have been actioned and closed. The new year recommendations (section 6) apply to all entities and the City's management response is noted.
4. The Audit Review Panel of the Chamberlain's and Bridgemasters' Accounts met on 22 September 2017 to review the processes adopted by Moore Stephens LLP and the Panel intends to certify that those processes were in accordance with the prescribed auditing standards.

### **City's Cash Trust Funds**

5. The City's Cash Trust Funds comprise seven open space charitable funds and the Sir Thomas Gresham Trust Fund as listed in Annex 1.
6. These Trusts ended the year with net incoming resources of £6.6m (2015/16: net incoming resources of £8.3m) which comprised the following:
  - Incoming resources of £26.8m:
    - funding from the City of London totalling £21.2m (2015/16: £24.4m) and;
    - income of £5.6m (2015/16: £4.9m) from investments and charitable and voluntary sources;
  - Resources expended of £20.2m:
    - charitable expenditure of £20.0m (2015/16: £20.8m) on the running of the open spaces and Gresham Almshouses; and
    - support services costs of £0.2m (2015/16: £0.2m).
7. Managed investments, held mainly by Hampstead Heath, benefitted from an unrealised net gain in market value of £3.5m (2015/16: net loss of £1.8m).
8. At 31 March 2017, City's Cash Trust Funds held total reserves of £61.6m (2015/16: £51.5m) an increase of £10.1m (19.6%) compared to a year earlier.

### **Sundry Trust Funds**

9. The Sundry Trust Funds comprise the separate charitable funds listed at Annex 2. Excluding the Charities Pool (which is an investment vehicle for the other charities), the remaining 19 Trusts:
  - received income of £3.9m (2015/16: £3.5m) of which £2.2m was from investments (2015/16: £2.1m);
  - had unrealised gains of £5.7m from managed investments (2015/16: £3.0m losses);
  - incurred charitable expenditure of £3.3m (2015/16: £3.1m) including:
    - £1.2m towards the running costs of Hampstead Heath (2015/16: £1.1m);
    - £1.4m (2015/16: £1.2m) comprising 526 grants and 44 bursaries paid to individuals or organisations (2015/16: 608 grants and 69 bursaries);
    - £0.4m towards the running costs of Keats House (2015/16: £0.5m); and
    - £0.3m towards the running costs of the City of London Almshouses (2015/16: £0.3m);

- incurred governance and administration costs of £0.2m mainly due to fund manager costs (2015/16: £0.2m); and
- held total funds of £56.6m as at 31 March 2017 (2015/16: £50.4m), an increase of £6.2m (12.3%) from a year earlier.

### **Approval of the Financial Statements**

10. The Chairman and Deputy Chairman of the Finance Committee will be requested to approve and sign the financial statements on behalf of the Court of Common Council.

### **Annexes**

Annex 1 – List of City's Cash Trust Funds

Annex 2 – List of Sundry Trusts

### **Contacts**

Philip Gregory, Deputy Financial Services Director  
020 7332 1284

[Philip.gregory@cityoflondon.gov.uk](mailto:Philip.gregory@cityoflondon.gov.uk)

Steven Reynolds, Group Accountant  
020 7332 1382

[Steven.Reynolds@cityoflondon.gov.uk](mailto:Steven.Reynolds@cityoflondon.gov.uk)

**CITY'S CASH TRUST FUNDS**

*Open Spaces*

Ashted Common

Burnham Beeches

Epping Forest

Hampstead Heath

Highgate Wood and Queen's Park Kilburn

West Ham Park

West Wickham Common and Spring Park Wood, Coulsdon and Other Common

Sir Thomas Gresham Charity

## SUNDRY TRUSTS AND OTHER ACCOUNTS

### *Banking and Investments*

Corporation of London Charities Pool

### *Open Spaces*

Hampstead Heath Trust

King George's Field

### *Books and Libraries*

Guildhall Library Centenary Fund

### *Education*

City Educational Trust Fund

The City of London Corporation Combined Relief of Poverty Charity

City of London School Education Trust

Charities Administered ICW The City of London Freeman's School

City of London School Bursary Fund

City of London School for Girls Bursary Fund

City of London Freeman's School Bursary Fund

The City of London Corporation Combined Education Charity

### *Other Trusts and Funds*

Emanuel Hospital\*

Sir William Coxen Trust Fund\*

Signore Pasquale Favale Bequest

Wilson's Loan Trust\*

Vickers Dunfee Memorial Benevolent Fund \*

City of London Almshouses

The Ada Lewis Winter Distress Fund

Keats House